





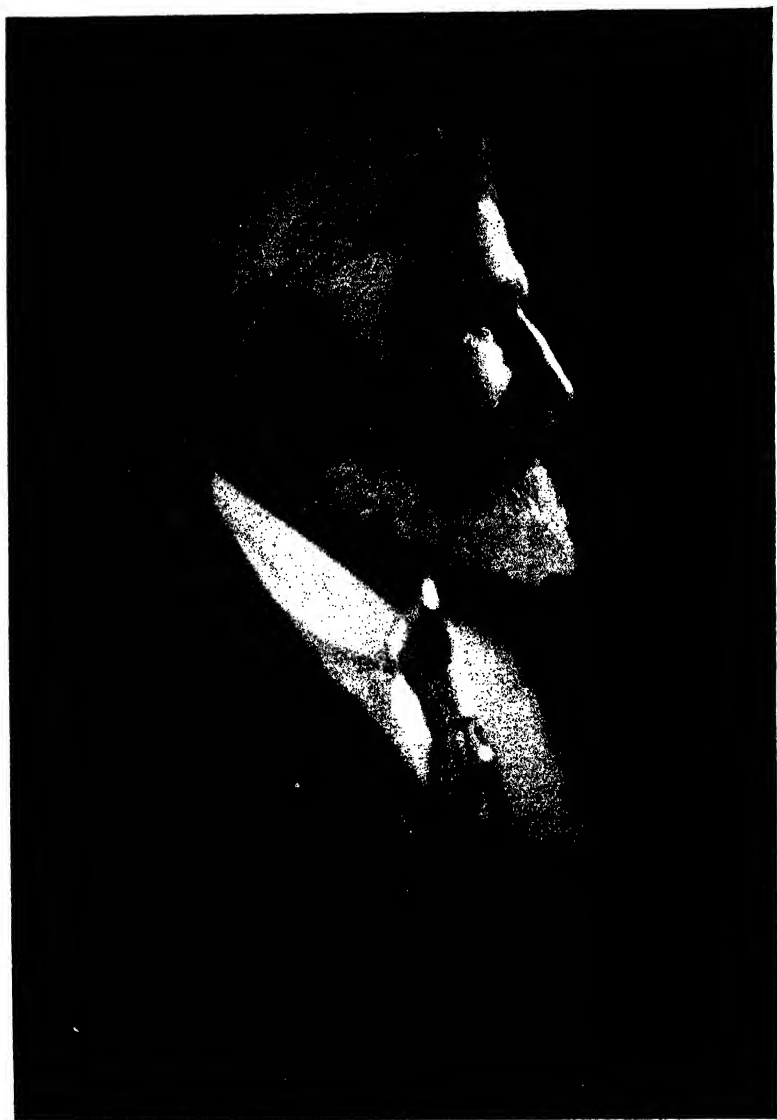


# *The Rebuilding of Rural England*









*Sealine.*]

MR. MONTAGUE FORDHAM.

*[Frontispiece.*

# *The Rebuilding of Rural England :: By Montague Fordham,*

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the Permanent Reconstruction of our Country Life," and of  
:: :: "A Short History of English Rural Life." :: ::*

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## P R E F A C E

**THE** main idea underlying this book is to adopt in England the policy which was carried out by the Society of Friends in dealing with the problems that arose in the reconstruction of the devastated White Russian villages, which now form part of East Poland. This policy was based on what is, to many of this generation, a new conception of life. It depended on two simple principles: the first, to adopt a phrase from the philosophy of religion, to make intellect the servant of the spirit; the second, on the material side of life, to make money the servant of wealth. We may interpret the two phases of this policy thus: when certain work requires to be done, the fact that it appears at first sight impossible should not be emphasized, but intelligence should be used to remove obstacles and secure that the work is done. The habit of using the intellect to create difficulties is engrained in our civilization, and until it is overcome it is hard to make progress. Further, when it becomes necessary to deal with the material problem of producing the basis of true wealth, the homes, the food, the clothing, and the firing of a people, money, in the form of credit, must be made available for that purpose instead of being held up, as it too often is under our present financial system, even when it is urgently needed for the saving of the workers from poverty and misery. The application of these ideas gave

remarkable results : in White Russia there were found, in a relatively small, vivid, brightly drawn picture, the very problems that arise in England ; they were faced without fear and quickly solved. Thus there emerged, through this method of direct action, the true principles of reconstruction, and we learnt how to cure unemployment, to revive agriculture and industry, and to provide houses. There should be no difficulty in applying the same policy and methods to English rural life : we can then at once build cottages, next reconstruct agriculture, and, in doing so, go far towards curing unemployment.

The problems of our rural life were impressed on me very vividly more than half a century ago. Three pictures remain clearly in my mind. The first, climbing up a ladder to the attic of a cottage, where, just under the thatch an old woman, a labourer's wife, was lying on a hard bed : part of the thatch had rotted and been blown away, and wind and rain came through : the woman was dying, but the owner of the cottage had not thought it necessary even to repair the thatch. The second picture is the local squire and a large farmer sitting over a fire on a Sunday evening discussing the winter rate of labourers' wages : were they to be 10s., 11s., or 12s. a week : all were starvation rates. The third picture has pleasanter sides, the life of the farm : the cowshed on a winter's night, warm with the breath of cows and sweet with the smell of milk ; an evening in summer, feeding the horses in the stables and riding them down to water after a day's work ; in late autumn in the harvest field by moonlight, taking my part leading the horses, or riding in the carts.

Since that time I have never missed an opportunity of studying the rural question in England and other countries. I have studied it both in theory and in practice, and much that is dealt with in this book is tested

by the hard lessons of facts, gathered in the main from my own experience.

It was in 1907 that I began to get a clear idea of the underlying principles of rural reconstruction. In that and the following years, whilst engaged, in connection with what is known as the Land Club movement, in obtaining for workers on the land small holdings, allotments and cottages, and organizing co-operation and credit banks, I had an opportunity of discussing the rural problem with working people at hundreds of little meetings held from one side of England to another. I thus came into the closest touch with the actual facts of rural life, and gathered the views of the common people. With the ideas so obtained, I am confident we might at that time have commenced the reconstruction of agriculture and rural life, and saved ourselves from all the disaster that has since occurred.

In 1922, an opportunity arose of helping in the reconstruction of the White Russian villages. This gave me the chance of completing my practical knowledge. In White Russia I saw also how credit could be used to start and advance the natural growth of wealth.

At the end of nearly half a century's intermittent investigation and work, one sees that the facts were always before us, and it was because they were so obvious that they were overlooked. The problem is simple and it is to be found everywhere. In England, Scotland and Ireland, in Russia, in France and other European countries, in the United States and the Colonies, in Japan and some other parts of Asia : in history, too, as well as in modern life, the problem is always in essence the same. It arises from the dominance of the non-producer, whether landowner, financier or dealer, over the actual productive worker, whether you look at him as a producer or a consumer ; from the control of the creator by the non-creator. The



cure lies in the destruction of this dominance and building up a system based on combined action. On this element of co-operation the growth of civilization depends.

I have, in the preparation of this book, been influenced by a definite philosophy. It is the philosophy of a man of action. Of all guides, imagination, unless checked on one side by spiritual vision, and on the other by reference to actual facts, is, to my mind, the most dangerous. A Mohammedan believes that Mohammed's coffin floats between heaven and earth; a simple Christian such as I used to meet when I was a boy believed in a concrete heaven beyond the skies, for which he would look at sunrise or sunset. An economist or politician in the same imaginative spirit is caught by such ideas as that "free trade," or "the taxation of land values," or "nationalization of land," or "protection," bring wealth and happiness, or else comes to believe in the "immutable law of supply and demand," or of the existence of a "limited wages fund," or "capital pool," or other so-called economic laws. Such ideas, which may have value if considered calmly in relation to the world that surrounds us, if blindly accepted become obsessions.

Every such idea must, I suggest, be tested in three ways: the first by reference to the undefined moral or spiritual laws that lie somewhere in the background of life; the second by inquiry as to whether the idea is constructive or destructive, and the third by reference to the actual facts of life and the motives of man. All these tests are at times difficult to apply, but it is always possible to refer to our great spiritual teachers for inspiration, and when there is doubt as to the constructive or destructive value of an idea, it is possible to turn to philosophy, or, for example, to adopt the critical method of testing facts which Plato teaches us through the mouth of Socrates.

When there is doubt as to the relation of the idea to facts and to the motives of men, it is well to widen the outlook by making investigations, and take part, where possible, in practical experiments. If theorists were to apply these tests they would drop their belief in the greater number of economic and political theories that were built up in the nineteenth century and class them with the Mohammedan's theory of Mohammed's coffin floating between heaven and earth, and the simple Christian belief in a material heaven just beyond the skies. The truth is to be found in spiritual law, in philosophy, and in the facts of life. Even an elementary study of the facts will bring out one important point : all the problems we have to deal with in our rural life have already arisen in this and other civilizations, and have been dealt with successfully, or, if not successfully, in such a way as to show where the difficulties and the solution of the problem lie. All that is then necessary is to do what I have endeavoured to do in this book, apply this knowledge to deal with our problems.

The form of this book explains itself : the first part gives information gathered from history and study of facts ; it also suggests an outlook. The second and third parts indicate a policy of reconstruction with its practical application. The last chapter consists really of illustrations—parables taken from life ; perused at any time, they may serve as a relaxation to the reader.

Many questions, such as the development of our system of local government and rating reform, have not been dealt with.

The material—collected from many sources—on which this book is based, has been analysed with every possible care, and I have endeavoured to approach my subject in a judicial spirit. But the rural question is a difficult

one, and there is much ignorance and some prejudice to overcome. I welcome correction where errors have crept in, and also every form of criticism.

MONTAGUE FORDHAM.

40 *Well Walk, Hampstead.*

# CONTENTS

CHAP.		PAGE
	PREFACE . . . . .	v

## PART I

### *SOME GENERAL INFORMATION*

I.—	INTRODUCTION . . . . .	1
II.—	THE CONTROL OF POWER . . . . .	6
	(a) The Bastard Feudalists	
	(b) The New Oligarchy	
	(c) The Evils of an Oligarchy	
III.—	THE LAND QUESTION . . . . .	23
IV.—	FARMERS' METHODS IN BUSINESS . . . . .	35
V.—	SOME TRUTHS ABOUT ECONOMICS . . . . .	48
VI.—	ABOUT MONEY . . . . .	55
VII.—	THE MIND OF THE PEASANT . . . . .	65

## PART II

### *THE NATIONAL POLICY OF FOOD PRODUCTION*

VIII.—	THE IMPORTANCE OF THE SUBJECT . . . . .	73
IX.—	THE TWO INDUSTRIAL SYSTEMS AND THEIR APPLICATION TO AGRICULTURE . . . . .	79
X.—	STANDARD PRICES . . . . .	93
XI.—	THE SCHEME IN DETAIL . . . . .	104
	(a) Some General Considerations	
	(b) The Parish Land Council.	
	(c) The County Federation	
	(d) The National Chamber of Agriculture	

CHAP.	PAGE
XII.—THE SCHEME IN DETAIL ( <i>continued</i> ) . . .	117
(a) The Organization of Business . . .	
(b) The Organization of Finance . . .	
(c) The Work of the Parish Land Council . . .	
XIII.—SCIENCE AND PRODUCTION . . . . .	137

## PART III

*SOCIAL RECONSTRUCTION*

XIV.—THE VILLAGE REFORMED . . . . .	151
XV.—THE EDUCATION OF OUR PEOPLE . . . . .	155
XVI.—NEW LIFE FOR THE LABOURER . . . . .	160

## PART IV

*PARABLES FROM THE COUNTRY-SIDE*

XVII.—TALES OF ENGLAND AND RUSSIA . . . . .	169
---	-----

*APPENDIX*

1. NOTES ON TRADE, BANKING, AUTHORITIES, STATISTICS AND OTHER DETAILS . . . . .	191
2. THE ACTION THAT A GOVERNMENT SHOULD TAKE . . . . .	207

INDEX. . . . .	209
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The notes indicated by numbers in the text are given in the Appendix. These notes also include some special remarks on objections that have been raised to details of the policy suggested in this book.



**PART I**  
***SOME GENERAL INFORMATION***





## PART I. SOME GENERAL INFORMATION

### CHAPTER I

#### *INTRODUCTION*

**E**VERYONE who has given serious consideration to the form that our social and industrial life has now assumed in both town and country is profoundly dissatisfied.

Quite apart from the turmoil created by the war, and the terms of the peace that followed it, there are many disturbing features.

The control of the great wealth accumulated in the last two centuries remains in the power of the few who, suffering from a mental and moral paralysis, grip it tenaciously and prevent its utilization for our national development. Thus they stand as a wall between the unemployed worker, and the work that is waiting to be done. A great part of their wealth is, in fact, invested in factories and workshops which may never in our lifetime, unless adapted for new purposes, be utilized to full advantage; it appears, indeed, that in many branches of trade the buildings and equipment that have been provided are in excess of what is required for any possible immediate use. But other wealth that could be used at

once, to advantage, is being daily wasted in luxury and foolish expenditure, which, though it creates temporary employment, ultimately causes poverty.

The actual creative worker, the producer, when he is employed, is almost always underpaid; in the rural districts grossly underpaid. The consumer, on the other hand, is overcharged even for such goods as he is able to purchase. Between producer and consumer there stands a great and powerful class of distributors and their financiers, a second wall. This group of men, whilst doing no definite productive work, absorb and, to some extent, waste the wealth which the labour of the creative workers is producing.

At the same time the enormous growth of productive power of the nation makes it possible for the necessities of life, for all, to be easily created by the work of relatively few.<sup>1</sup> But, notwithstanding this fact, a large mass of our people are poverty-stricken, whilst amongst, perhaps, a quarter of our population any real home and family life has been completely destroyed. With this destruction the health and stamina of the people have suffered. A sense of security, the true basis of a happy family and national life, is never with us. Life has, indeed, become to many of us a sordid struggle for existence, brightened, on occasions, by some cheap form of amusement. Life has little security, less gaiety, and no dignity.

We have now been forced to adopt a system similar to that instituted in Rome in its time of decay of giving not work to the workers, but doles. It is not, therefore, surprising that many of our manual workers are losing not only their pride in their work, but their very motive for working.

In the world's history, great civilizations have arisen,

(1) For this and subsequent notes see Appendix.

in India, Assyria, Egypt, Greece, Rome and elsewhere ; they have developed and decayed. Paterson, in his important work on "The Nemesis of Nations," sketches the economic history of those civilizations of which we have definite knowledge. A growth in industrial development, accompanied by a drift from country to town, has always produced great wealth and great poverty. Then comes decay. It has been suggested that early in this century the industrial and social system on which our civilization is based had reached its climax. Probably the beginning of decay dates from two centuries earlier, but the point is not very material.

Having climbed to the top of the hill, it seems, at first sight, inevitable that we should slide down the steep place on the other side : our civilization will fall. This opinion—a very natural one—is widespread. But those who hold this view have omitted one element in their calculation. They have forgotten that, for the first time in the world's history, a special power has evolved. We have, in the last half century, accumulated much new knowledge of science, of economics, and of history both of our own and other nations ; this " new learning " is, indeed, so new that we have not yet come to understand it : we must make haste to do so, before it is too late. We have also developed our capacity for analysing facts, and we are in a position to know, if we care to seek, the exact causes of the present difficulties, and to find out how similar difficulties have been dealt with in the past. It is important to realize these new elements in life. Before the present civilization, nations have been, as a whole, so mentally undeveloped and have had so little knowledge that they have been driven by fate to destruction. Now we have a new mental growth and a new knowledge. We have developed a new Free Will. Creative evolution is possible.

We can build up a new world for ourselves. We can defeat fate.

What, then, is our immediate duty? It is, with new vision, to employ "the new learning" in order to work out the social and economic basis which will secure a new life for our civilization. This work is being done in a somewhat haphazard way by innumerable thinkers. I am taking as my immediate part of this work the preparation of a scheme for dealing with what should be the basis of our national life, the life of the countryside.

My proposal, in a phrase, is to take the life of rural England and the production and distribution of the nation's food out of the grip of the present industrial system. It should never, indeed, have been applied to rural life. Adopting ideas mainly obtained from the reconstruction of East Poland, Czecho-Slovakia, and of Denmark, with their successes and failures, it is proposed that the new life of the countryside should be based on the principle of private enterprise in production; that this private enterprise should be supported by credit provided directly by the State, and that the business side of agriculture should be organized through combined effort. Thus we remove the two barriers, created by our financial and distributive systems, in the way of natural progress.

Whilst the necessary organization of business should be carried on by those engaged in the industry, the organization itself must be stiffened and held together by the power of State. This stiffening is advocated partly because it seems clear that the evils which have to be combated are so great that they cannot be cured by voluntary action alone—individual action is, indeed, often powerless to bring about great social revolutions. But State intervention is also advocated because it is believed that the power of the State can be employed without the evils

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of bureaucracy, whilst if these evils are avoided the utilization of the State in certain limited ways is in itself a healthy thing.

Before setting out in detail the policy and immediate practical steps that are suggested for removing our present difficulties and making progress possible, some historical information will be given, together with an account in detail of the conditions that we have to deal with and an explanation of various points in finance and economics on which a clearer understanding is undoubtedly needed.

## CHAPTER II

### *THE CONTROL OF POWER*

(a).—THE BASTARD FEUDALISTS

**E**VER since the Black Death in the middle of the fourteenth century, the wealthy merchant came from time to time out into the country, bought land and settled down to become a country gentleman. Three centuries ago the New Plutocracy were coming in crowds. The old county families were furious. Land, they complained, was being bought up by cooks, vintners, inn-keepers, dancing masters and “such trifling fellows,” whilst the best places in the country were passing into the hands of “lawyers, citizens, and vulgar men.”

These new men found the greater part of the country still in the hands of an independent peasantry, working co-operatively on their village farms and feeding their stock, pigs and fowls on the common woods and wastes and open fields. They were a joyous people. “It is a singularity in the nature of the English that are strangely addicted to all kinds of pleasure above all other nations,” says Fynes Morison, a man who had spent much of his life wandering in almost every country of Europe. He tells of “daunsing with Curious and rurall musick, used upon all hollydayes by country people, daunsing about the Maypooles with bag pipes and other Fiddlers, besides the jollityes of certain seasons of the yeaere, of setting up maypooles, daunsing the morris with hobby horses, bringing

home the Lady of the harvest, and like Plebeian sportes, in all such vanities no nation cometh any thing neere the English." The new rich thought the peasants an idle lot with their jovial Sundays and an extra whole holiday almost every week, for there were perhaps forty saints' days in a year, on which it was not the custom to work. They settled down to introduce a harder life for the people. The old feudalism had gone, the entails had broken down, but the lawyers secured the same result by the so-called "settlements," under which the estates passed from generation to generation. The landholding families were thus kept at the top of the social ladder, whilst the rest of the country people were kept down. It was a bastard feudalism. Maypoles were pulled down, "the jollities of certain seasons of the yeare" were stopped, the Sunday holiday was discouraged, and persons were expressly forbidden by statute to be present on that day "at any wrestling, shooting, bowling, ringing of bells for pleasure, masques, wakes, church ales, dancing and other pastimes." If the people could not work, at least they should not play. Later it was found to be lawful "to be well occupied on holy days," and so the six day working week became the rule. At the same time, enclosures were always going on, and the peasants were driven off the land to become squatters or labourers.

The new men were no doubt behind Cromwell and his Puritans, but they wanted the support of the peasantry. I suspect that when they raised the countryside for the Parliamentarians they promised "Common lands for the common people": but after the war was over the countrymen complained that they were "in a worse case than we were in the king's day," for their claim for "freedom in the common lands," as a reward for "this conquest over the king" obtained by combined efforts was ignored.



The enclosures went on, and Parliament, which before had been hostile, now definitely supported them. Indeed, by the time that William III. came to the throne about a quarter of England had been enclosed and divided up; thus the number of labourers had been again increased, and these men were greatly impoverished. The working farmers and labourers lost ground in another way. They had in the past been accustomed to ferret rabbits, snare hares and net partridges on the great stretches of open lands, so that a poor man could always rely on finding something to keep his pot boiling and his family alive. But game was becoming valuable, and in Charles II.'s reign a law was laid down that no one might kill game unless he had a freehold estate worth £100 a year or a leasehold of ninety-nine years or over worth £150 a year. The lords of manors were also authorized to appoint gamekeepers with powers to seize guns and dogs and search houses of suspected men. The ruling class had thus their own private police. The Englishman's house was no longer his castle.

The old law of astringency which tied a man to his manor and made it illegal to go away, had long fallen into disuse, but a series of new poor laws, of which the first was passed in the reign of Charles II., secured similar results; poor people were definitely liable to be sent back to their own parishes: in the eighteenth century this became a widespread practice, which was continued into the following century: thus was introduced a new element of servitude. Parliament, confined since the beginning of the eighteenth century to the great landholders, was not completely under the influence of the new commercial spirit for another hundred years; the management of the local affairs of the countryside, however, which had been in the past in the hands of local courts and councils, in which

the people had a voice, were gathered into the hands of the Justices of the Peace appointed from the country gentry, who administered county business in their Quarter and Petty Sessions. The Justices had also power to settle rates of wages, and from their decision there was no appeal.

As a general result, the gentry controlled not only the land, the wealth, the making and the administration of the laws, but the very homes, the work and the lives of the people. It was a great tyranny, from which not only the men of the labouring class, but their wives and daughters and little children suffered in every way. At its best it was, perhaps, just bearable: at its worst it was far worse than the true feudalism of the Middle Ages. This tyranny lasted for nearly two hundred years. Yet we must not think too badly of this ruling class: they were the typical Englishmen of their time. Hospitable, boisterous, and good-natured, if their class or personal interests were not concerned, fond of the outdoor life with its sport and pleasure, active and energetic, they developed their estates and carried on their public work with a good deal of capacity. But they were, as a rule, extraordinarily autocratic, ignorant, selfish and limited in their outlook. Their own class and their leasehold tenants alone were cared for; the small farmers received little consideration, whilst the "labouring poor," as they were called, had to toil without ceasing at a starvation wage in the service of their masters.

During the whole of the eighteenth and in the earlier part of the nineteenth centuries, Parliament definitely supported the process of enclosure, and the greater number of the remaining communal estates were divided up. There is much to be said for the principle of enclosure, but the methods employed cannot be defended. As an outcome of these methods the peasants, who might well have

been established on plots of land in co-operative groups, lost all control of the land and passed into the class of labourers.

It must be put to the credit of the new plutocracy that at first they adhered to the policy that had prevailed in earlier centuries of basing business on fair prices. With this policy in mind they passed the Corn Bounty Act of 1688, and thus succeeded in maintaining for the best part of a century a fairly stable price for corn. Later on, under the influence of the new school of economics led by Adam Smith, of which more is to be said later, the belief in the importance of maintaining a fair price gradually weakened and ultimately disappeared.

A second business principle inherited from the past which laid down that no unnecessary dealers should come between producer and consumer to buy and sell the produce of the land at a profit, seems to have been the subject of controversy during almost the whole of the eighteenth century. The old laws that forbade intervention of dealers in such a way as to raise prices were on the statute book, but there can be no doubt that they were constantly evaded, and a considerable amount of dealing in agricultural produce actually went on.

In 1766 a Royal Proclamation was issued declaring that dealers who enhanced prices by buying agricultural produce to sell at a profit were "oppressors of the poor and enemies of their country," and were to be fined and imprisoned as the law of England demanded: but later on Parliament was influenced in the contrary direction and a law was passed in 1772 whereby some of the earlier legislation was repealed, including an old law which laid it down that a man dealing in food for profit was subject to the pillory and expulsion from the town in which he lived: the dealer, however, in the view

of the Judges, remained subject under common law to fine and imprisonment. The law notwithstanding, it appears that at the close of the century dealers were increasing in the countryside, and the country bankers finding it no doubt good business to finance these men were definitely behind them. On the other hand, many who felt that dealers' practices were likely to destroy the life of the countryside were bringing the men before the courts. The reports of these cases make strange reading. In 1796 a man named Battams was tried at Aylesbury for making a profit of 5d. a quarter on a deal in corn: his total gain was 17s. 6d. This dealer was fined £200, sent to prison for fourteen days and told he could stay in gaol until he paid the fine. In 1800 the Recorder of Dublin in his charge to the jury referred to the mischievous operations of the dealers as "unbounded and universal." Their crime, he said, was not one "which has for its object the injury of a single individual, or even of a single class or description of person in the community; it reaches every order of the State and embraces at once the rich and the poor, the humble and the exalted." He told the members of the Grand Jury to go into the markets, find the offenders, whatever their rank and situation, and see that they were prosecuted. A remarkable expression of opinion is also given in the judgment of Lord Kenyon in the case of *The King v. Rusby*, tried in November, 1800, in the Court of the King's Bench in London. Rusby had made a profit of £3 on a deal of thirty quarters of oats, and a great deal of evidence was given as to the ways of dealers. Lord Kenyon traced the law back to Saxon times and showed how no repeal by Act of Parliament of special statutes affected this particular crime. He went on to say: "It is fit that all should have the necessities of

life, and if the necessities are enhanced in price in consequence of intrigues and combinations that are formed by any set of men in any part of the Kingdom, that part of the public without which the superior ranks cannot exist are put into a position in which the wisdom of no country will ever place them." He also left his particular subject, as did many Judges in those days, to deal with general questions involved. It appears that Adam Smith had said that speculation by dealers was no more to be feared than witchcraft. Lord Kenyon replied to this statement; he wished "that the life of Dr. Adam Smith, who was a great and learned man in this country, had been prolonged," so that he might have been able to come into his court and to hear what witnesses had had to say in the case before him; Adam Smith would then have changed his mind, would have seen the evil of these practices; he would have recognized that dealing was more to be feared than witchcraft.

There was at that time widespread controversy on the whole question of dealing. In this controversy Pitt, when Chancellor of the Exchequer, in 1800, intervened and, according to a contemporary writer, declared in Parliament that the dealers had a right to come between producer and consumer and make what they could at the expense of either. This speech, widely discussed no doubt in the country markets, must have come as a serious shock to country people. It probably marked the close of the attempt to secure fair prices between producer and consumer. The law seems, so far as can be ascertained, to have fallen into disuse about that time, although it was not until 1844 that the dealers' rights became established by statute.

Meanwhile, in the last quarter of the eighteenth century various events happened that went far to damage the

position of the peasant farmers and labourers. In 1788 it was decided that the right of the inhabitants of a village to collect dead wood and branches for firing was not founded on the law, and in the same year a court of three judges decided by a majority of two to one that the law did not recognize the right to glean. The judge who supported the gleaners' claim gave an historical sketch of the subject, commencing with the story of Ruth: he based his judgment on the law of God and the common rights of the common people. The majority of the court, however, seems to have thought that business was business and the laws of God had nothing to do with the matter.

In 1795 a system of doles supplementing wages was instituted and had an extremely degrading effect on the labourers' lives.

In 1796 Whitbread's Bill for a legal minimum wage was thrown out by Parliament, and the right of the farmer to under-pay labour was substantially established. Magistrates, however, retained a legal right to fix wages until 1813, and a custom of fixing wages by Justices of the Peace probably prevailed in many places up till at least the middle of the nineteenth century. Moreover, the impoverished labourers were prevented at first by law and subsequently by personal pressure from combining into Trade Unions, with the help of which they might have improved their position.

As a general result the whole control of the countryside and its inhabitants had early in the nineteenth century passed into the hands of a small class of land-owners, bankers and dealers, who, with a few of the larger farmers, land-agents and lawyers, have held from that time onwards the countryside in the hollow of their hands.

The general system of rural life as we now know it was thus firmly established. The Lord of the Manor, a ruler of his estate as he had been in the past, became everywhere a landlord, with not only the power to do exactly as he liked with his land, but also a right to extract the highest possible rent. An even heavier tax on both producer and consumer was the profit secured by the dealer and middleman. What they absorbed at that time we do not know, but now the greater part of the price paid by the consumer is almost invariably retained by middlemen or spent in transport before payment reaches the producer.

From that time on, whether there was protection or free trade, two systems which proved alike disastrous to the workers on the land, prices fluctuated widely; they varied, as they still do, from year to year, from week to week, and from day to day. The rural advocates of the old policy of stabilizing prices, though their point of view had the sympathetic consideration of the Free Traders, were unable to secure any support from Parliament. Farming, always speculative, at certain periods degenerated into a pure gamble, in which the dealers almost always won. The outlook of the farmers themselves became degraded by their financial difficulties: even when the accident of fate, or State manipulation of prices, put money into their pockets, the labourers did not benefit: the habit of "grinding the faces of the poor" had become, and remained, too strong. The labourers enslaved by the system were ground down to a state of misery, which, judged with reference to the national wealth of the time, is without precedent in English history. When, on the other hand, prices fell, thousands of farmers were ruined, and the cultivation of the land deteriorated, to the loss not only of the agricul-

tural population but of the nation as a whole. At all times the uncertainty of prices and the capacity of dealers to absorb profits made continuous development of cultivation practically impossible, and the land has never been used to its best advantage.

The results were appalling. For a century a stream of sturdy workers flowed from the countryside, denuding our hamlets and villages, overcrowding our towns, driving the weaker city workers into the classes of unemployed and unemployable, lowering the physical standard of the race, and depressing wages. Farmers great and small, village blacksmiths, carpenters, shopkeepers, labourers, all have had their part in this amazing exodus, which in the nineteenth century carried with it at least five million souls, and reduced the agricultural population by more than half. One result may be seen in the present condition of the towns. Against such great economic forces the magnificent struggle of the Agricultural Trade Unions has availed little.

(b).--THE NEW OLIGARCHY

The power of the men of the old school diminished during the latter half of the nineteenth century. Their influence in Parliament was also definitely weakened, especially after the election of 1885, when in many constituencies Liberals and Radicals of the Manchester School were returned by the votes of the newly enfranchised labourers. But these new men were even more imbued with the teachings of Adam Smith and a belief in competition as a cure for evils than were the older leaders; the latter had indeed at that time, whilst maintaining their belief in the control of power, lost faith to some extent in the competitive doctrines of their ancestors. The new men very properly opposed the introduction



of import duties on food; 'on the other hand they made the mistake of supposing that the economic results of free imports in agricultural produce in competition with home produce were the same as the economic results of the importation of such materials as raw cotton. They did not realize that whilst the bringing in of raw cotton and other raw materials might well lead to an increase of national wealth, the introduction of foreign produce in competition with home-grown food resulted in the decay of agriculture, which brought with it widespread poverty, and ultimately unemployment in both town and country. They entirely overlooked the national importance of maintaining prices and failed to see the value of limiting imports to our needs. The only alternative to protection which occurred to them was the uneconomic policy of unlicensed competition. In their economic policy these men of new ideas were no better than their predecessors. This was one of the principal causes of the decay of agriculture and rural life during the last quarter of the nineteenth century.

At that time a fresh influx of rich men created a nucleus for a new oligarchy. With this influx came a new organization: for Parliament transferred the management of country affairs from the Justices of the Peace to elected County Councils, District Councils, Parish Councils and Parish Meetings.<sup>2</sup> But the change was not in its essence so great as appears at first sight. The power remained, and still remains, in the hands of the same group of landlords, large farmers, land agents, solicitors, bankers, dealers and middlemen. Their rule was not and is not so much a personal tyranny as it had been in the past, but the new oligarchy gripped the country-side through its hold on land, on the homes, on the lives and the labour of the people, on money

and the business side of agriculture, and also, to a large extent, through its representation in Parliament and local government. Their rule was in some respects more intelligent than that of their predecessors; education was developed, and in the earlier years of the twentieth century there was also an increase of small holdings and allotments; co-operation in agriculture began to spread, here and there credit banks were started, and a new form of democracy on traditional lines of great importance sprang up in the form of co-operative groups of workers, which may form the model for our future democratic development; moreover, in the years before the war a new social life began to spread. But the economic system remained substantially unchanged. The dealer still controlled the markets, the insufficiency and uncertainty of prices to farmers continued, and their financial position was still thoroughly unsatisfactory. The labourer, though his position improved slightly, was still grossly underpaid, and even if poverty was reduced, the essential servitude remained. Moreover, Agriculture, so far as it progressed on its scientific side progressed but slowly, whilst production recovered little if at all.

During and immediately after the war a reign of reason seemed to be beginning; the right of the farmer to a fair price and the labourer to a living wage were once more beginning to be recognized. But the methods employed to put these ideas into force and the absence of a clear understanding of the economic and social questions involved prevented the policy being carried forward to success. Just at the time when the growth of the new learning had showed exactly what should be done in detail to carry the proposals to a successful issue, the Government lost its head and reversed its policy.

(c).—THE EVILS OF AN OLIGARCHY

We can now consider, with advantage, the evils that arise from the control of the English rural oligarchy: they appear to be very little understood, even by students of country life.

Every proposal that has been brought forward in the last half-century for reconstructing the life of our countryside on a secure social and economic basis has been blocked by three main obstacles. The first of these arises from the nature of the control of the life of rural England. The second is a financial, and the third is an economic difficulty; for whilst it is of the essence of rural progress that our land should be developed to its utmost capacity, the financial and economic systems created and maintained by the oligarchy have been hostile to this development. There has been what is substantially an artificial limitation of output. The obstacles created by these systems are by no means insuperable, and when they are understood, they can certainly be removed. This will be dealt with later.

But the initial difficulty is the rule of the oligarchy. As has been seen, a comparatively small group of men have for three centuries controlled, and still do control, not only land, money and public life, but to a considerable extent the lives of the smaller cultivators, and to a much larger extent the homes and the pay and the lives of the labourers. The law has been administered in accordance with the views of the members of the controlling group; the Anglican Church has, with rare exceptions, either supported them or remained silent: and it is from members of this class that the more influential section of the Press has taken, and still takes,

its ideas. Moreover, it is their point of view that has in the main dominated legislation. It is sometimes suggested that the corresponding class from the towns has really controlled our national policy. The difference in outlook between the two groups is more superficial than real: there is much in common between both. They stand together for maintaining the control of power in the hands of their own class and for directing economic policy towards the making of money and accumulating it in the hands of the few, rather than towards the production of what is needed for our national life—the creation of wealth, and its equitable distribution amongst the many.

This is a criticism of an outlook and a policy: it is in no sense an attack on a class. The English rural oligarchy of to-day can no more be subjected to an unqualified condemnation than their predecessors of the eighteenth century. They are, in fact, and have been in the past, a pleasant plutocracy, generous and hospitable, who do much public work of real value. But their work in the past, and indeed even in the present, is limited by ignorance of political and social science and want of understanding of the lives and thoughts not only of the people of other nations, but of the men of their own nation who live outside their class. It is their outlook that has been wrong. Moreover, it can hardly be maintained that the policy of the oligarchy has succeeded. For anyone who gives a dispassionate study to the rural history of the last three hundred years cannot fail to see that this policy has resulted in the impoverishment of the manual worker and the lessening of the personal independence of the people, whilst it has created, through the establishment by law of the middleman and the introduction of the two alternating policies of free

trade and protection, the constant overcharging of the consumer, the underpayment of the producer, and a fatal instability in the business side of agriculture.

The evil of an oligarchy arises in part from what they do, but far more from the mental decay it creates both in the minds of its members and in the minds of the men and women who live under its control. Whilst members of an oligarchy look upon themselves with an easy complaisance as public benefactors and the natural leaders of men, in reality they are always automatically engaged in helping their own class and creating a servitude. So long as they have sufficient force of character they can continue their rule, but the time comes when the character of the members of the oligarchy begins to decay. They lose their force, and at the same time become jealous of interference in their control; obsessed with the idea that the conditions of life in which they were brought up are based on some eternal law of nature, they become suspicious and intolerant of views that might change them.

A decay of this sort is apparently spreading in rural England at the present time. For the rulers of our country-side have now lost much of the initiative that characterized their predecessors of a century ago, men who swept away all that remained of the old democratic common life, appropriated land, established a new system of land tenure and trading, and created and maintained a large mass of sweated labour, with a practical energy worthy of a better cause. The want of force in our rural oligarchy is seen clearly in their inability to deal with the present position, and is illustrated by their public utterances, by their articles and letters in the Press, by their lectures, speeches and pamphlets, and by documents issued by the Government.<sup>3</sup> In all these

matters the mistake is the same; the mass of knowledge accumulated in the last half-century is ignored, whilst the suggestions made are as a rule limited to essentially superficial remedies. At the same time every possible point is raised that can divert attention from the true issue, the basic defects of our system. Attacks are directed against farmers, against middlemen, and even against unfortunate labourers; an attempt has been made to bring up again the old worn-out controversy between free trade and protection, two policies that have already been tried and failed. Some writers are trying to emphasise a quite unreal difference between the interests of town and country, and an artificial controversy has been raised as to whether agriculture should or should not be buttressed up by subsidies and bounties at the expense of the towns: the fact that the countryside is extremely rich and can do much to help the towns in their present difficulties, by finding work for many and increasing and cheapening our food supplies is indeed constantly overlooked.

Thus, by an interminable flow of words, an attempt has been made to screen the incapacity of our rulers, to suppress serious inquiry, and to secure an intellectual servitude.

Loss of initiative by those who have been controlled has also been for some time a noticeable feature of the life of rural England. It is in part due to a special cause. For a century the most enterprising men and women of the working classes have fled from the villages to the towns and colonies, leaving behind them the least energetic; thus the power of initiative has decayed.

Lack of enterprise, the result of the rule of the oligarchy, has indeed been the great feature of rural England during the last half-century. All classes have failed to grip

sufficiently strongly and push forward sufficiently rapidly the new ideas and proposals that have come before them. This is true, whether it be in experiments in cultivation, in the spread of co-operation, in the maintenance of fair wages, in the provision of cottages and small holdings, in the spread of afforestation, in the reclaiming of waste lands, or in the development of such important features as village clubs, adult education and social life.

Recently there have been strong counteracting forces among the workers. A new outlook has come to men and women who took part in the war and the special work that arose out of the war: new points of view have come from the towns, especially from the men and women of the Labour Party, who are constantly putting their views before the villagers. New ideas have also come from education and the Press. From these fresh impulses a new hope is arising, and with it a new energy. But this power will soon die out if the nation does not take advantage of the present position to give the men and women of the rural democracy an opportunity of exercising it. This is one reason why the immediate introduction of democratic control in conjunction with other reforms is of great importance. It will give the necessary scope for the utilization of this new spirit of initiative from which so much is to be hoped.

## CHAPTER III

### *THE LAND QUESTION*

**T**HE ownership, occupation and control of the rural land of Great Britain is a question that deserves much more attention than it has as yet received. It is, in fact, insufficiently understood, even by those who are especially interested in the subject, and is as obscure to country people as it is to the people of the towns. It is difficult to secure complete and accurate information; however, what has been obtained is no doubt sufficient for the immediate purpose of this book.

The area of Great Britain is about 56 million acres. Of this some 45 million acres is put to some use in connection with agriculture; slightly under  $14\frac{1}{2}$  million acres, less than one-third of this area, is under the plough, about 16 million acres is grass land. Orchards, small fruit and vegetables cover, perhaps, half a million acres. Rather over 14 million acres is classed as rough grazings; of this the greater part is in Scotland. The area of woodlands is rather under three million acres.

This land is held under a variety of conditions. The greater part is in the hands of members of the Royal Family, of the nobility, and of other large private landlords. These great estates are, as a rule, settled; that is to say, in the hands of trustees. These settled estates are very generally subject to mortgages, annuities, rights of residence by various people, and to other charges and



responsibilities. Probably, indeed, most landed property in the country is subject to mortgages or other charges of some sort. It is not always easy for anyone not a lawyer or a land agent to say who is the absolute owner of any particular piece of land, whether it be the freeholder in possession, the trustees of the settlement, or the mortgagees. Sometimes the nominal owner has very little interest in it.

A large number of estates are owned by the Church, Universities, Colleges, City Companies, Co-operative Societies, and, no doubt, other corporate bodies. A very large number of small properties are owned by individuals. A considerable area, perhaps 500,000 acres, is owned by County and Parish Councils. An area of about 100,000 acres, technically termed "Crown Land," is owned by the State, and managed by a land agent acting on behalf of the Ministry of Agriculture. There also still remains a great deal of old communal land, and land subject to public rights, such as Epping Forest, the New Forest, and other forests, and also the village commons, woods and waste lands, to be found in relatively small areas all over the country. There is also some land held in the interest of the nation by a National Trust. A few properties are owned by groups of working men, managing their own land. Finally there is one estate at Laxton, in Nottinghamshire, held and in part cultivated on the Anglo-Saxon open field system.

Farm houses and buildings have with rare exceptions in Britain been provided by the landowners, and this is true whether the owner be a private individual, the Universities and other corporations, the State, or a local authority. The cost of repairs is, as a rule, shared between landlord and tenant. New buildings and the more important improvements are, as a rule, carried out by the

landlord. Funds are available for drainage and certain other classes of improvements, and also for purchase of a freehold by a tenant, under the provisions of certain Acts of Parliament.

Cottages occupied by the labourers are often provided by the freeholder, and are let with the farms to the farmers, who sublet to the labourers; but there are also in many parts of England cottages in the villages or hamlets privately owned and let off to labourers. Such cottages are usually let at very low rents. There are a few cottages recently built by local authorities. In some parts of the country labourers live in the farm houses.

A considerable part of the value of the estates is represented by farm buildings and dwellings; more perhaps is represented by drainage, the cost of putting the land into its present state of cultivation, and other improvements. Before the war it was computed that the value of the bare land, apart from buildings and improvements, sometimes called the "land value," averaged about £5 an acre; this figure is perhaps approximately correct.

The cultivated part of all great estates, including the nationalized or "Crown Land," is, as a rule, let off to farming tenants, great and small, on short or long leases or annual tenancies; yearly tenancies are the characteristic holding at the present day. Smaller properties are often also so let off, but a large number of the lesser owners farm their own land. It appears that in England and Wales about 6½ million acres are so owned by the actual farmers. It is considered by many authorities that the sinking of capital into land by the farmer is not a good business proposition; he can utilize it better in the cultivation. On the other hand it is sometimes suggested that the position of these occupying owners is more

secure than that of an ordinary farming tenant. This, in a sense, is true, but this conclusion must be qualified by the fact that recent legislation has given a great measure of security to farming tenants, whilst land owned by working farmers is often subject to mortgages so heavy that the owners are in a precarious position.

There are a few, but very few, true peasant proprietors. The absence of peasant proprietors is a noticeable feature of the English country-side. The English smallholder seems to prefer to be a tenant, especially if he can be a tenant of a public authority. Modern attempts to institute peasant proprietorship, even when framed on a large and generous scale, have not been, indeed, marked with success. Moreover, in a country like England, where finance controls business life or, as Americans say, "money talks," peasant proprietorship is an insecure tenure, for the peasant proprietor is always being tempted either to mortgage the land or sell it for cash down. As a result, even when peasant proprietorship is established, it tends to disappear. A considerable number of "small holdings" (a phrase generally applied to holdings under fifty acres) and a number of small allotments are let off by private owners; the rents of these, as a rule, are above that of ordinary farm land.

The County Council and Parish Council properties are occupied by "small holders" and holders of allotments. There appear to be about 40,000 smallholders, tenants of local authorities. The land held by County and Parish Councils is, as a rule, divided up and let to individuals, but it is sometimes let to Co-operative Land-holding Societies, who sublet to the actual cultivators.

Landowners pay a small land tax to the State and a tithe to the Church, where such land tax and tithe still exist. The tithe is computed on a scale varying with the

price of corn. Both land taxes and tithe have in many districts been redeemed. Rates, so far as they fall on land, are, under the present law, levied on a special scale which is equivalent to the assessment of the land at a quarter of its value. Such rates perhaps average 2s. 6d. an acre and are paid by the occupier. He also pays full rates on his buildings and inhabited house duty. Rents, which vary very much throughout England, perhaps average about £1 an acre.

Anyone who is interested in the question of land tenure in England would do well to start his investigation by actually going into the country, where all these methods of land holding can be seen, often, indeed, side by side. It is not always easy to ascertain the truth about land tenure even in the villages, for the country people are themselves often in the dark; but gradually the facts will come out.

There are in Great Britain about 15,400 large farms, that is to say, farms of 300 acres or over; about 80,000 farms between 100 and 300 acres; a considerable area of land is held in some 300,000 small farms of between 5 and 100 acres. Of these about three-quarters are under 50 acres. There are also some 100,000 still smaller plots of between one and five acres. In all, there are probably about 2,000,000 allotments, but most of these allotments are no doubt on the borders of the towns, and are held by town workers.

These figures must not be taken to indicate accurately the total number of farmers and other cultivators in Great Britain. Many farmers, of course, hold two or more farms, and no doubt a large number of smaller plots are held by men who combine the cultivation of land with other occupations. The figures do, however, make it quite clear that England is essentially a land of small cultivators.

Official returns for the year 1923 give the number of regular workers employed on the land of England and Wales, including farmers' relatives, at 566,000 men and boys and 59,000 women and girls. The men's weekly wages, with harvest wages, piece work wages, allowances for cheap cottages and other extras, vary between about 30s. and £2 5s. a week. There are also about 150,000 casual workers. There has been a decrease of about eight per cent. since the year 1921. The number of regular workers employed in Scotland appears to be about 100,000.

The most interesting modern developments in England are (1) the small holding groups created under the Small Holdings Acts and other statutes: of these the largest numbers in proportion to the area of the counties are in East Anglia, especially in the counties of Bedford, Cambridge, Isle of Fly, Essex, Huntingdon, Lincolnshire and Norfolk, but there are also considerable numbers in other parts of Britain; and (2) the co-operative land-holding groups that have grown up all over England during the last fifteen years, created by men who have taken a farm or field, by purchase or by hiring, either from a private owner or from a local authority, and divided it up into small holdings or allotments. The facts relating to these two new movements are not sufficiently known.

The smallholders have been hampered in some cases by high rents, a condition due to the methods employed by the County Councils in acquiring land, methods which were the outcome, to a large extent, of the defective provision of the law and to unsatisfactory administrative procedure. Still they show the value of communal ownership and control. They suggest a policy for the future.

In these cases and in the other cases of properties vested in similar groups, the place of the landlord is in the main taken by an elected committee, which, in the

case of the Co-operative Landholding Societies that own land or hire it from a private owner is elected by the men themselves. These Co-operative groups, which are also found in Italy and, no doubt, other Continental countries, are the natural form that a rural democracy takes. The tenants hold, as a rule, subject to their cultivating the land to best advantage, and are supported by many forms of co-operative effort. As a general rule the land is divided up amongst the members of such a Co-operative Landholding Society, and cultivated in separate plots, but the grass land may be held in common, and in some cases farm buildings, and horses and farm implements may be the property of the Society as a whole, rented or hired by the members as they require them.

Such smallholders have been and still are, like all other farmers, hampered both by the insufficiency and variations of prices and the special difficulties of organizing co-operation in a country like England, where there are so many opposing interests, but they show many remarkable successes.

A good deal of discussion has taken place in recent years as to the relative advantages of large and small holdings. It is important to get a clear understanding of this question, for there is great confusion of thought, especially amongst townspeople. Much of this confusion arose, apparently, in this way. Nineteenth-century economists observing that the people got rapidly rich by building and carrying on big factories and making large amounts of more or less useful goods, jumped to the conclusion that large factories produced relatively more wealth than small, and then further assumed that such production was necessarily beneficial to the community. But the argument on which this theory was based is now considered by some authorities to be fallacious, and it is doubtful

whether, with certain obvious exceptions, there is any advantage to the nation and to the productive workers in large factories ; there is, of course, gain for the proprietor, but it is a money gain.

Whatever may be the ultimate conclusion as regards factories, it should not affect the consideration of the country question of large or small holdings. There may be some size of farm that is easier to work than one that is larger, or another that is smaller ; but that point is of secondary importance : the productivity of the land depends not so much on the extent of the farm as on the size of the fields and their grouping in relation to buildings and roads. A ten-acre field in a 500-acre farm does not grow more or less wheat merely because the farm is held by one man employing twenty, or by ten men each holding fifty acres and employing one labourer. All sorts of other considerations come in. From the point of view of wealth production, even if that question could be considered alone, the size of the farm is secondary. Organization and co-operation can give the group of smallholders all the advantages of the big man. In actual fact, other things being equal, the small man generally seems to produce more per acre than the larger farmer, an advantage which he generally loses at once under our present trading and financial system. There is, no doubt, something to be said in favour of both large farms and small farms, from the point of view of capital involved, cost of internal transport, output and the conditions of workers, but much of what is said at the present time is in the main not to the point. When our system is reorganized the problem will no doubt solve itself naturally.

What now is the exact difficulty of the English land system ?

Although there are many laws that provide for the

compulsory acquisition of land by local authorities for Small Holdings and Allotments and for Housing, the freeholder—that is, in a large number of cases, trustees acting for others—is practically, whatever the law may say, in a position to restrict, or at least delay, the building of cottages and the provision of small holdings and allotments. Moreover, he has full power to hold up development of the land and prevent it being cultivated to best advantage. As a matter of fact many landlords of the larger estates constantly allow their fondness for sport and their personal pleasure in occupation to stand in the way of development; a still larger number are hampered from carrying out improvements by want of capital, or discouraged by the risks involved. At the present time when there is no definite movement for land development, the landlord is not a conspicuous obstacle to progress, whilst as far at least as cultivation of the land let off to tenants is concerned, the landlord is rather in the hands of his tenant than otherwise.

If, however, such a national plan of land development, as is suggested later, was decided on, the landlord, if left in his present position, might, owing to his power to control the use of the land, be a greater obstacle to progress in the future than he has been in the past. Of course, he does not realize this. Indeed, as a rule he looks upon himself as the natural leader of rural life. The question of rents goes with the question of control: it cannot be said that rents have been of recent years unduly high, but if any development of the country-side takes place, the landlords, though their powers to raise rents are limited, will ultimately as tenancies fall in be in a position to increase rents and get what seems to many people an unfair advantage out of the work of others.

There are two obvious and effective ways of dealing with



the position of the present landlords. The first is to put in force a scheme of complete land nationalization. The second, proposed by certain authorities, is the fixing of rents. These latter proposals, which would presumably reduce the landlord to the position of the holder of a ground rent, might meet the difficulty, if combined with some form of communal control. If these two alternatives were offered to landowners of England many of the smaller landlords and some of the larger estate holders might prefer to be paid out and have their land taken over by the State or by local authorities. A large number of the occupying owners would, no doubt, prefer this course provided they were left as tenants for life of the land they occupied.

In view of this possibility it is important that the question of nationalization should be made clear, especially as much of the discussion on this question arises from want of understanding. A great deal of land is nationalized and held by the State and local authorities in England and all over the world without it making of itself any marked difference in the position of the tenants or the cultivation of the land. Even in England the difference between nationalized and privately owned land is rarely appreciated. There is a story in circulation to-day—its truth is not guaranteed—which runs as follows : An advocate of land nationalization was tackled at a meeting by a very competent and obviously popular farmer, who gave the meeting a description of what would happen if the land were vested in the State, describing very vividly the intolerable burdens, the number of officials involved, with their prying ways, and the waste in time and money to the unfortunate State tenants. The advocate of land nationalization said to the farmer after the meeting : “ I suppose you own your own land.” “ Oh, no,” was the reply, “ I am a Crown tenant ; no one could be in a better

position than I am." His land had, in fact, been nationalized, and he did not know it.

An Act of Parliament could secure nationalization of the land, if it were thought desirable, by a simple declaration vesting the land in the nation. The nation would then become owners of minerals not yet exploited, and also presumably of foreshores and much waste land suitable for afforestation or reclamation. This procedure would not necessarily involve any disturbance of present owners, who might well be left as life tenants at a nominal rent with an option to sell out to the State if they wished. But when further steps were found to be desirable, financial questions would have to be considered. Nationalization of rural land from the point of view of national finance is not a very large matter: probably the nett rentable value of the farm lands of Britain after allowing for such matters as repairs and management, is about £32,000,000 a year; perhaps half of that is represented by interest on mortgages and other charges. The freeholders' financial interest is therefore probably about £16,000,000 a year, and the maximum capital value is £400,000,000. This could, if it were thought desirable, be paid for in National Land Bonds, or Annuities, an arrangement that leaves the financial position exactly where it is; it neither enriches or impoverishes the landlords nor the State; these Bonds or Annuities might, in their turn, be paid off in, say, ten years out of the savings in distribution, etc., which would follow the reorganization of rural England on the lines that are now proposed. The sporting and other amenities of the present generation of landowners and their right of occupation of their private houses could be left untouched if that seemed desirable. Mortgages and other charges could be paid off out of profits, by degrees.

Nationalization is not, from any point of view, a very

complicated matter. There would, of course, be certain gains arising from common control when such questions as reclamation of waste land, of waterways, drainage and irrigation, of replanning of farm boundaries and laying down of light railways, came to be dealt with ; but there is no great value in any particular form of bare ownership. It is what goes with ownership, control and rents, that has to be dealt with.

## CHAPTER IV

### *FARMERS' METHODS IN BUSINESS*

**S**UCH of the large farmers of the country-side as are supplied with sufficient funds, perhaps one out of ten of the cultivators of the land, are business men, and employ sound business methods ; they transact their affairs, the buying of fertilizers, seeds, stock, agricultural machinery and so forth, and the sale of stock and crops according to methods which would commend themselves to an ordinary man of business. They also, no doubt, keep satisfactory accounts of their transactions, a really difficult matter, for the necessary annual valuations are not easy to deal with. Some of the smaller farmers are equally capable and efficient, and, if sufficiently well off, do manage to battle, with tolerable success, with the financial and business difficulties that surround them. But certainly before the war, and probably now, the mass of the cultivators live in a strange business world of their own. Few outsiders know anything of the ways of this world, and of these few, less understand it. It is indeed almost an unexplored country.

In this world business is carried on in accordance with a system extraordinarily wasteful and confused, often corrupt and always thoroughly unsatisfactory not only to the producer but also to the consumer in its effect on the prices he has to pay.

The evils have been in existence for over a century,

during which time they have, so far as can be ascertained, increased. They press most severely on the small cultivators and those whose financial position is not strong—the people, in fact, who want help most—and they are most flagrant at times of difficulty, like the present.

The reason for all this trouble has now to be explained. The buying of the goods of all descriptions that the farmer needs is carried on fairly satisfactorily in the ordinary business way, though he constantly pays too high a price for what he purchases. But the selling of the farmers' produce is a different matter. The milk trade is largely in the hands of a trust, the hop trade is controlled by a special board of control, but with these exceptions the ordinary farmer sells either to dealers or merchants, or through auctioneers at the markets of the country towns, or to a less extent by direct delivery to salesmen at the markets in the cities.

The dealers and auctioneers and other salesmen really dominate the farmer. The dealers are everywhere: they belong to all classes of life. At the top of the tree are the big buyers of Mark Lane and elsewhere; then there are the local corn and cattle merchants, the dealers in fruit and vegetables, the somewhat notorious pig dealers, and at the bottom of the scale the higglers going from farm to farm buying eggs.

A large number of dealers are also farmers, and these men are able to buy stock and keep it on their own farms until the market price gives them a good chance of selling. It is the dealers who are masters of the situation, from their command of ready cash, from their skill in bargaining and from their knowledge of markets.

Indeed, whether you study the methods of sale of corn, cattle, hay, fruit, vegetables or flowers, there can be no doubt that almost all cultivators sell at great

personal disadvantage, owing to their slight knowledge of markets, their comparative lack of skill in bargaining and their want of financial strength. Moreover, some at least of the transactions are tainted with fraud. Markets in agricultural produce are constantly subject to rigging, prices are driven down by speculators, and in all sorts of ways advantage is taken to make purchases at prices not only below the real value of the article, but below even the current market value. It appears that wheat, for example, is often lowered or raised in price by the gambling in options and futures, and in markets butchers may form a ring and agree not to bid against one another, with a result that beasts are sold at ridiculous prices to members of the "knock-out" gang. In the large town markets, meat and vegetables are held up and prices artificially raised, or large supplies are thrown on the market and prices suddenly lowered.

The growers of fruit and vegetables have all their stories of the markets and of dealers' gains and their losses, which they tell with a great deal of humour. Of runner beans and marrows sent to London for which they receive nothing but a bill for expenses; of brussels sprouts for which they get  $\frac{1}{2}$ d. a lb. being retailed at 3d. a lb.; of a field of celery sold for £100 for which the retail price must have been somewhere about £1,000; of a consignment of fruit changing hands five times before it left the station; of the price of carrots dropping to nothing one day, only to run up to £10 a ton a few weeks later; of market prices disappearing altogether so that fruit and vegetables rotted on the farm. I have often checked these facts and figures and found the statements true. I noticed, for example, early in the year 1928, that when potatoes were being sold by farmers at 17s. a ton in Lincolnshire, and at 15s. a ton in Kent,

twenty miles from London, the Hampstead retail price was 1s. a stone, £8 a ton, over ten times the price in Kent. Again, whilst I was selling Wellington apples, the best of all keepers, in Kent at 1½d. a lb. a similar apple was sold in London shops at 6d. a lb.—five times as much.

These troubles are not confined to any particular branch of the trade. The price of pigs has been varying up and down for many decades; when they go up everyone rushes in to the trade, just in time for the slump. Potatoes, which went up to £14 per ton a few years ago, fell to 15s. in 1923, and they have since risen to £10 or £12 per ton. Wheat varied in the last century between £1 and £8 a quarter, and in the last ten years between about 7s. and 22s. a hundredweight. The whole trade is saturated with uncertainty. In England we have special complications, since dealers may at any time buy cheap produce from abroad and dump it on the market, as they did with potatoes in 1923. Then if they have stocks in hand they can refuse to buy from the farmer at all and prices run down to nothing.

The town markets are also often carried on with great confusion. Covent Garden is especially notorious.

So far, it has been seen the system injures producer and consumer alike, but there is another characteristic which especially hits the producer.

Before the war, and probably at the present time, farmers are largely financed by what has been called "Subterranean Credit." Our country people, of course, borrow money from the present banks, often no doubt at a high rate of interest; sometimes from money-lenders at an extortionate rate; but they also constantly obtain their working capital in whole or in part by letting their accounts run with the tradesmen of the towns, with the

seed merchants and vendors of artificial manures, feeding stuffs and machinery. In purchasing stock from an auctioneer or dealer they may do so on the express or tacit understanding that it is not paid for until the next harvest, or until the stock is sold, and in the latter case it probably goes back to the same auctioneer for sale. These are not the only methods of obtaining credit. Dealers make it a practice to lend money on credit on fruit, vegetables, and probably on corn and stock, on condition that the produce comes to them for sale. All these transactions are extremely expensive to the farmer. He may not actually pay interest, but as a result he pays an artificially high rate for much that he buys, and he sells almost everything below market price. He is perpetually being forced to buy in the dearest market and sell in the cheapest.

There is no way of estimating what the smaller farmers lose as a result of these special financial conditions, but it is improbable it averages less than five shillings an acre.

Moreover, a man of special enterprise is often in special difficulty. He utilizes his land to best advantage—he grows corn, fruit, vegetables and flowers; he keeps cattle, sheep, pigs and fowls. He has a corresponding number of markets to deal with; he ought, if he is to succeed, to keep himself conversant not only with the demand at the particular markets all the time, but also with the extraordinarily complicated customs of all these markets. This, if he does it, takes time and money which could better be employed in other ways. He rarely makes himself master of such trade details. It is doubtful if many small cultivators clearly understand, for example, the “average” system of computing prices on sale of surplus stores at Covent Garden Market, or can even



judge the weight of fat beasts. Such varied ability is rarely required in other trades.

As a fact farmers are always being half ruined by these difficulties. Probably the smaller farmers get, at an average, about one-third of the retail price, and the dealers and other middlemen and transport charges absorb the other two-thirds. A fair proportion, if distribution were completely organized on sound business principles, such as are suggested, would be two-thirds to the farmer and one-third as the cost of distribution.

The waste in the distribution of home-grown food in this country has been computed at about £150,000,000 a year, and this is probably a conservative estimate<sup>1</sup>. There are other indirect losses which will considerably increase this figure. There is constant waste arising from sending produce—for example, stock—to the market town and then finding there is no demand. Such produce or stock has then to be sold for what it will fetch, or brought home. There is great waste also from bad packing and grading. Other waste is undoubtedly due to transport charges ; no doubt these charges are often too high, but the waste in transport appears to be largely in the fruit and vegetable trade, and the total loss is probably not so great as is generally supposed. Blame cannot be attached to the railways. Much of the waste in transport comes undoubtedly from the general confusion that arises from our methods. For example, it often happens that fruit or flowers for which there may be a large bona-fide demand in some part of the country, are sent to the wrong market : to be then perhaps transferred to another market, the alternative being to sell at a price which may not even pay the cost of picking. Further waste arises from the fact that farmers do not send their produce in sufficiently large consignments.

There are many other evils that affect our trade in food. Great complaints are made of inferior goods being sold under well-known names. For example, in the bacon trade complaints have been made of sale by English merchants and shopkeepers of quantities of hams and bacon as "best Wilts," which were never in England until they passed through it in a railway train. Far more cheese is sold as Cheshire cheese than is produced in this country, and it is a commonplace that foreign eggs are constantly mixed with English eggs and sold under the latter title.

There is also the question of adulteration, which less directly affects the producers. It is commonly said, probably with truth, that there is scarcely an article of our food that is not tampered with now and then, and certainly much of the tinned milk and fruit sold in this country could, with advantage to national health, be replaced by fresh milk and fruit produced by our own farmers.

It is impossible to mention the question of distribution without raising a storm of prejudice against middlemen. The middleman in our food supplies, whether he be dealer, merchant, wholesale buyer, miller, baker, butcher, or the manager of any similar trade, needs character, organizing ability, skill, and if a dealer, needs wit. It will be admitted that the larger wholesale businesses and the retail trades are in a general way carried on with scrupulous honesty; the brunt of this attack falls on the dealers who buy from the farmers, the free-lance men of the trade; of these a large proportion appear trustworthy, but it must be confessed that most of them complain of the sharp practices of their competitors; probably they have some reason.

Dealing, as a business, is undoubtedly highly competitive, difficult and speculative, and it has none of

the interest of a productive business. All the pleasure and interest lies in the bargain, and the profit lies in its success. Big buyers and speculators in wholesale markets in London and elsewhere no doubt are very highly paid, and often make large fortunes, but for the rank and file there are few such opportunities. Apart from specially lucky deals, they rarely, as individuals, make big profits. It seems, indeed, improbable that the waste goes to any large extent to enrich individual dealers: it is a much more subtle matter than that. There are too many dealers. Their expenses and risks are heavy. The actual figures are impossible to arrive at, but much of the expenditure undoubtedly disappears in dealers' establishment and other expenses, and much ultimately passes into the hands of the financial interests involved. It is sheer waste. It is foolish, therefore, to blame the dealers if they make it their essential object to buy in the cheapest and to sell in the dearest market: to force down the producer's price and keep up the price paid by the consumer. This is the motive of the great mass of the individual transactions that pass through their hands: it is sound business. None the less it is an evil, which is, of course, greatly increased owing to the competition between dealers tending to encourage many sharp practices.

Dealers are certainly not unpopular in the country-side: no doubt most of them are worthy people, and if they do, in fact, often take advantage of the farmer, it is the custom, and their action is looked upon with good-humoured tolerance.

The fact that has to be realized is that, under present conditions, middlemen's interests cannot be harmonized with the interest either of the producer or of the consumer or of the nation: it is the system that we have to change. Moreover, when the change comes middlemen and their

employees of all classes must not be penalized, but must be utilized in our scheme of reconstruction; it will probably, as home trade increases, not be difficult to find work for the greater number, and others must either be transferred to productive work or compensated.<sup>5</sup>

Uncertainty and muddle in the markets is, perhaps, the greatest of all the evils which affect the agriculturist, and a complete remedy must be found. In England, it is quite sufficient struggle for a man to deal with the difficulties of the climate; the gambling, speculative, uncertain element in the business causes endless anxiety and suffering, and wears away the lives of many of our best men and women. It is, moreover, quite unnecessary. This mass of mismanagement tainted by corruption is, in fact, a national disgrace. It reflects both on our honesty and our capacity. It must be dealt with by radical change, for the evil is inseparable from the present competitive system of middlemen, and no mere modification will affect it.

By direct delivery, Trade Societies and co-operation, and in a few instances by credit banks, farmers are constantly trying to escape from all these difficulties. Direct delivery is only a partial remedy. Credit banks in the form they have taken in England are limited in their work, and only deal with certain minor financial aspects of our problem: they do not solve it. Trade Societies have value, but only when they can secure monopoly are they effective, and if and when they develop they may result in a producers' trust with all the evils of unduly inflated prices.

There are possibilities in co-operation, but they are strictly limited. Co-operation in such matters as bacon factories and creameries is of great value, whilst the co-operative movement for the purchase of farmers'

requirements, fostered by the Agricultural Organization Society, which has spread over England during the last twenty years, has had undoubted success. It is, in essence, of the same character as the co-operative movement of the towns, a combination of buyers to purchase at what are substantially wholesale prices with the smallest possible charges for distribution. The movement might be extended through England in conjunction, as will be explained later, with the reform of finance ; any scheme to be built up so as to bring in the present suppliers.

But co-operation in the sale of produce is an entirely different matter, and has to be considered on its merits. There has been some confusion of thought arising from the word "co-operation" being applied equally to two systems that differ in their main elements. Assisted, no doubt, by the glamour which is attached to the word "co-operation" and the success of co-operation in dealing with other problems, an influential group has devoted much time and energy to promoting a movement which it was hoped might ultimately solve by voluntary co-operation the problem of distribution. They have had the support of an intelligent section of the public and financial help in the grants given by the Government to the Agricultural Organization Society. There has been a great deal of interesting work done, which shows what is possible, but also shows quite clearly the limitations. It appears that a local co-operative society competing with dealers may be temporarily successful, if it can secure a regular demand from some specific market, or from shops in a town : but it is just as liable as an individual dealer to be broken by competition or to be caught in a local or national slump. There are many societies carrying on with some measure of success, but notwithstanding all that

has been done in this direction no solution has been reached, or is likely to be reached, of the national problem of food distribution as a whole. Experience has gone far to show that the underlying idea is mistaken, and that our problem of distribution is not in the least likely to be solved by continuing the attempt to extend such a movement in this country. There are many reasons for this. The first is this: even if, theoretically, there was a possible future for such movement, the individual farmers are far too much involved with dealers to come in; the farmer is like a rat in a trap and cannot get out of his difficulties by voluntary effort. It is, for example, almost impossible for any special scheme to be started in a particular district if the dealers of that district are opposed, as, of course, they always are. It is commonly said in the country that when an attempt is made to start a co-operative selling society, the dealers put pressure on the smaller farmers to pay off their outstanding current liabilities, and when this pressure is put on, these farmers, being unable to do so, drop the attempt.

Even if the dealers' opposition could be overcome, there is behind them an immense organization of middlemen and markets, which has also to be dealt with.

There is another very human reason why farmers are unlikely to combine in opposition to the middleman. As has been pointed out before, the farmers who might take a lead very often themselves do a good deal of dealing; they say to one another, "After all, whatever happens, however bad things are, we can always make a little money through dealing; we'd better let things stand." Moreover, even those who are not dealers are closely connected by family and personal ties with dealers. "My wife's father is a dealer," a man said to me not so very long ago; "we must go slow with this business."

The remark throws light on a widespread underlying influence.

Farmers are, indeed, so tied up with dealers in every way that they will not move in this matter on their own initiative, but if the Government were to take definite action they would be delighted. This is how a large independent farmer put it, and no doubt he is right.

Looking at the question more broadly, it will be seen that the basic element of co-operative success in distribution of produce is that the Co-operative Society can take all the farmers' produce and dispose of it at once at fair prices. This is only possible by complete control of markets, and at least some control of prices; otherwise there may be every sort of destructive local and international competition to break down the organization. To put the point in another way, when, and only when, the whole of every farmer's produce can be collected and consigned with certainty to the place where it is needed will it be the clear interest of the farmers to come in. Moreover, it is only then that the great savings will be secured that are absolutely necessary in order to secure good profits to the farmer, high wages to the labourer, and fair prices to the consumer.

So far as such co-operation in distribution in other countries has succeeded, and its success has only been partial, it is because the market is remote, loyalty to the organization can be enforced by social or other pressure, and a flat rate of prices for all producers maintained. These conditions will never be secured by voluntary effort in a country like this, where dealers are everywhere and the markets easily accessible for everyone, so that any dissatisfied individual who may be in a co-operative society can always sell outside his society if he wishes. Effective results depend then on the distributive organization having a

monopoly of the trade and being able to maintain a flat rate of prices for all cultivators. This is the clear lesson of Denmark and all other co-operative movements of which we have definite information, and is a common opinion amongst those who have practical experience of the movement in England.<sup>6</sup>

We cannot, therefore, look to an extension of a voluntary co-operative movement for a remedy for the evils of our present system. At the best it would take a generation to secure any results from such a policy, and the evil, with all the misery and suffering that it brings, must be dealt with at once. We must therefore look elsewhere for a cure.<sup>21</sup>



## CHAPTER V

### *SOME TRUTHS ABOUT ECONOMICS*

**I**T is essential that all students of this subject shall free their minds from the difficulties created by the pronouncements of the orthodox Economists. In this chapter some general consideration will be given to this subject.

Economics are not so complicated as people who write about them suggest, nor as people who do not study them suppose. It is therefore to be hoped that readers will not be frightened by this title. In the first place, it seems that in this and in many questions we are too much led away by the views of distinguished authorities. It is not, perhaps, sufficiently recognized that the man who has devoted his energy to climbing to a pinnacle of fame by specializing on some particular point has hardly had time to secure the general knowledge and wide outlook that is needed in order to have the broad understanding which is the basis of sound judgment. And further, the man who has reached such a pinnacle is so accustomed to looking up that he rarely condescends to look down on the new world that is always evolving below him. In business life we listen to the specialist, but place little reliance on his judgment, and in the study of Economics we should do the same.

It will, perhaps, be easier to see the truth of this point of view if it is explained how the economic theories of the distinguished authorities arose.

The decay of Mediæval Christian Social Theory that seems to have begun in the fifteenth century, was accompanied by a new conception of life. The Church had taught that we ought not to worry much about Heaven, but should try and apply moral laws to material life, and in particular to business life. But this point of view passed away, and, as Bunyan preached in "Pilgrim's Progress," at the close of the seventeenth century we were, so far as our spiritual life was concerned, to concentrate on getting to Heaven; moreover there was but one way and that was a narrow one. Thus we lost touch with the old theory of the mediæval Church, which, with its practical moral sense applied to business, taught that the dominance of the financier and the dealer, the non-producers, was the great social danger: and concurrently we failed to realize that competition was liable to be just as great an evil in trade as in other spheres of life. The devil of strife, concealed by the attractive words "free trade," as competition in trade was called at that time, obtained early in the eighteenth century a strong control over the minds of men, and it seems as if the natural decay of social order that has overwhelmed all former civilizations then began. Like the Gadarene swine we started to run down the steep place that would bring us into the sea.

Adam Smith, the leader of the new school of economics, a powerful, if not a very profound writer, saw this rush and he saw it vividly, but he was unable to grasp what it meant or to what end it would lead. The old teaching of the Church, which might have brought him understanding, had been lost. The new teaching of science had not arrived. He had no grasp of the application of moral law to material life, no information of the economic history of this or other nations, for the investigation of history had not begun, neither had he accurate knowledge

of the social facts of life, for the actual scientific investigation of the detail of social and economic life did not commence until the closing years of the nineteenth century, over a century later. He had nothing to guide him. Still, he saw the rush ; by it he seems to have been carried away into a state of intellectual excitement. His great work is the result. Though framed in ponderous phrases, it is essentially the work of a worshipper of the glory of the rush down the steep place. "The principles of that book," says Professor Soddy,<sup>20</sup> "then warmly welcomed, have beggared and bankrupted the wealthiest age history has known, and deprived a large and increasing proportion of the unacquisitive of their employment and their livelihood and brought in its train a crescendo of great wars." It was useless for spiritual teachers to point out that his ideals were wrong, or for practical men like Lord Kenyon to point out that Adam Smith's arguments were based on misunderstanding of facts. His views represented the spirit of the time, and so obtained an immense success.

Adam Smith was followed by a school of economists whose ideas, based on his mistakes, have still great influence, especially amongst politicians. I have given considerable attention to the principal economic theories that influenced the thought of the nineteenth century. To me it appears clear that the writers were not primarily searchers after truth ; they were not really even the leaders of a new system of thought which was being applied to our national life. Their attitude was something far different. They were in the main, though perhaps they did not realize it, apologists for a method of action already adopted. The early writers wrote to give a sort of moral tone to a predatory system, which, by its cruelty and inefficiency, was shocking the conscience of mankind. Such writings

meet a basic need of human life--the need of a justification for one's actions.

The English are notorious throughout Europe for their fondness for this form of mental salve. It is what all Continental nations consider to be our national characteristic: they call it, unkindly, "hypocrisy." The word is not really appropriate. The Englishman is an idealist, and when he is not living up to his ideal he must be provided with a reason. It is this need that the writers provided. There was a great demand for these writings amongst the classes that benefited by the predatory system, and to use the jargon of the economists themselves, the demand no doubt produced the supply.

A somewhat similar phenomenon occurred in all nations at the commencement of the war: great writers, orators and preachers used all their genius to defend a method of action already decided on. They salved the conscience of their own nations. Like the economists, they produced the impression that the movements they were supporting arose out of some great moral and spiritual light, instead of being a strange disease affecting mankind.

The English economists of the orthodox school made another mistake. They omitted to check their theories by sufficient reference to the actual facts; to some extent this was unavoidable, since at that time the details of the social and economic life of the people had not been thoroughly explored. But this is not a complete excuse: the economists might have studied in greater practical detail the course of the trade they described, and so come to understand more fully its actual effect on the life of the productive worker. Ultimately the economists became entangled in a net of catchwords and phrases which they called economic laws. These laws were not, of course, true in their immediate application: that

is now, and was to some extent then, quite obvious ; but "in the long run," it was said, they would operate. It was always "to-morrow." When the to-morrow came, the conditions had changed : new laws for "to-morrow" had to be invented. The "to-morrow" when these laws will operate will never come, for they are not based on the facts of life. Trade and industry are not in fact governed by any such economic laws as has been suggested by economists, but by the personal financial advantage of individual financiers and traders.<sup>8</sup>

Many of the earlier economists really lived in a world of abstract theory, in which they moved backwards and forwards like swifts engaged in securing their food by catching flies in the upper air. There was an unreality about them : a detachment from actual facts. Few of them would have been able to manage a business or a farm : many of them, no doubt, belonged to a type of man to whom a woman would hesitate to entrust the turning of the handle of a mangle, or a gardener the planting of an apple tree.

There was another serious mistake in the whole theory of the economic writers of the nineteenth century. They overlooked the fact that somewhere at the basis of life there is spiritual and moral law. Ignoring it, you may obtain a temporary success, but the ultimate result is a catastrophe. "The gods alone remember everlastingly : they strike remorselessly."

From their mistakes we can learn how very important it is to be quite sure that any practical proposals we make are in accord with both the facts of life and spiritual law. This need to refer to spiritual law is not a sentimental theory ; it is common sense. One can learn something of its importance from history. Undoubtedly the practical importance of spiritual law to the material world

was better understood in the Middle Ages in Europe than it is at present. This no doubt arose from the fact that in a simpler, though more barbarous life, basic facts were more obvious than they are to-day: similarly, in White Russia, an essentially mediæval civilization, basic facts were so near the surface that it was easy to see the relation of spiritual law to life, and thus learn the principles involved in social reconstruction.

We cannot leave the nineteenth century Economists without referring to Karl Marx. He saw the vision that Adam Smith saw, the rush downwards; but when he wrote we were nearer to the sea, and he saw where we were going. He thought that the fall into the sea was inevitable: but he felt that there was a way across and that we might crawl up to solid land on the other side.

During the whole of the nineteenth century the theory and practice of combination and mutual aid was being taught and applied by the working people in the great co-operative movements of England, Denmark and other countries; with that went world-wide efforts, through Credit and Land Banks, to escape from the dominance of the financier. But the competitive ideas and the financial power were constantly creeping into these movements and weakening and even destroying the results.

In the closing years of the nineteenth century there began the patient detailed investigation of social facts by many devoted workers, and at the same time the investigation of social and economic history of this and other nations. These investigations went far to destroy the theories taught by the schools of both Adam Smith and Karl Marx, but they had at first little effect.

The school of constructive thought based on non-competitive ideas gained ground at the beginning of the present century, but the new thought came too late:

the competitive idea was still too strong in both this and other countries. There can indeed be no doubt that the dominance of this idea was one of the causes of the Great War.

But the situation is now rapidly changing. A new school of Economics and Sociology is arising, consisting of men who base their theories (1) on the actual facts of life as they have seen them ; (2) on the recent detailed investigations of the life of the peoples of this and other nations, and (3) on recently obtained knowledge of social and economic history. They teach the Sociology of Life and Economics of Facts. They show that the earlier Economists dealt only with half-truths and that the so-called economic laws are often, in their popular interpretation at any rate, entirely unreal, and at their best mere economic tendencies. But they show something much more important than that ; it is this. It is useless when one comes to deal with the growth of a nation and actual affairs to proceed by selecting from the mass of facts that go to make up human life such items as one thinks fit and build up an argument or a plan of campaign upon them. Economics cannot be considered without finance, and you cannot take either without the political, social, moral and spiritual elements of life. Such a method of selecting facts is all very well for a political speech or a book on Economics, but in life it does not work, for life must be considered as a whole.

## CHAPTER VI

### *ABOUT MONEY*

**T**HE consideration of money and of Economics has this in common, that they are complicated by the introduction of terms and phrases which are very confusing to most of us. Terms employed in relation to finance are also used in different senses by different people ; for example, the word "capital." Some people mean by capital the actual material things, such as houses, factories, and workshops ; other people mean the stocks and shares that represent these real things ; whilst others use the word in both senses.

When we clear our minds of the misunderstanding created by words, it is found that the questions involved are not nearly so complicated as they at first appear.

Money, whether it be gold or silver, Treasury or bank notes, or cheques which represent them, is really needed for two purposes. The first purpose to act as a token or counter representing the value of actual things—houses, factories, workshops, food and other goods : the second purpose is something different ; money is needed to provide what is called credit, required under our financial system for the creation of new wealth.

It will perhaps aid us to understand why money is not in the present day well adapted for either purpose, if something is said about the history of money in modern civilization.



In the Middle Ages gold and silver, metals which had from their scarcity and their use by goldsmiths and other jewellers, a specific value, were employed by the State as the basis of currency.

In the fifteenth and sixteenth centuries when there were such large discoveries of gold that the amount obtained exceeded any possible demand from the jewellers and was apparently more than was needed for circulation, these precious metals lost a large part of their special value: this true value has never been, and presumably never will be, regained.

Superficially, this made no change, because people still retained the old ideas that gold and silver had a great value in themselves, and the metals were accepted throughout the world accordingly. But in practice it made a great difference. For financial groups, with private interests of their own, began to be formed, in the first instance, it is said, amongst the goldsmiths, who found that they could take advantage of this belief in the absolute value of gold and silver to secure wealth for themselves by controlling the surplus of these metals.

As centuries passed these groups became more and more powerful. The repeal or falling into abeyance of the laws and customs that had made dealing in money for profit and the taking of interest illegal was, no doubt, due to their influence. Later the financiers obtained from Parliament special powers and rights which amounted to a special license to bankers and financiers to control and deal in money. The Banks and financial houses have now also substantially secured a monopoly of this right.<sup>9</sup> In conjunction with the Treasury, this group now control not only the gold and silver itself, but also all paper money, which many people believe represents in some way the gold and silver which was formerly the basis of currency.

As a result of this control we have somehow lost a clear sight of the purposes for which money is needed. Owing, indeed, to the financial system now firmly established in this country and the United States of America, and, to a less degree, in European countries, money is not really an effective token, for its value is always varying, whilst it is only under special circumstances available as credit for purposes of developments of national importance, such as house building.

This is in no sense a dissertation on finance, nor is it an attack on bankers and financiers. There is no reason to attack persons: the financial system, though based on practices that were formerly illegal, has become part of our social system. The business is carried on by men of the highest distinction, probably the most influential in public life, and the stigma attached to dealing in money has entirely disappeared. But the true character of the system must not be overlooked. Lord Milner has pointed out that "Some of the greatest fortunes have been made and are being made to-day by the manipulation of financial counters." "That," he says, "is intercession in the grand style." We have further to realize that these fortunes can only be made, broadly speaking, at the cost of the actual productive workers. Many other authoritative writers hold that the way that money is controlled and dealt with is the basic cause of the present terrible widespread poverty and unemployment, with all the misery that is involved for the working and middle classes. Although this system is not the only cause of our present distress, it seems clear that we shall find no cure for our social and economic ills so long as it controls the situation. We have, therefore, somehow to stop this "manipulation of financial counters" and deal with the other defects in the system.

Our problem is really threefold : (1) To introduce a standard to make our money a true measure of value, just as a foot-rule is a true measure of the size of a box ; (2) to put a stop to dealing in money, and (3) to find a way to make money available as credit to help us to develop the wealth of the nation.

It is worth noting that until the first of these two problems is solved, and so long as the present system prevails, and it has prevailed for many generations, all statistics, theories and arguments based on prices are tainted with error and are liable to be misleading and to result in misunderstandings, for prices do not adequately represent values.

This book contains no doctrinaire theory as to the best way of dealing with the three points at issue, but the financial side of the policy suggested is directed towards the securing two of these results, the introduction of a fixed value for money, and the making credit available for developing our national resources.

These two points can with advantage be explained more fully, taking the question of fixing the value of money first. The exact point can be illustrated thus. Formerly the word "acre" was used to describe a day's ploughing, and for centuries an acre varied in size in different parts of England, according, so far as can be ascertained, as to whether the land was light or heavy, even or uneven, for much more light land than heavy land could be ploughed in a day, and the same is true of flat compared with undulating land. Now at last an acre is a definite area, of a size fixed by reference to the size of the circumference of the earth. But money values still continue unfixed, and so vary from day to day. Now, just as a standard size was secured for an acre, a standard value has to be obtained for money, or, as some authorities say, money

should be made a common measure of value. The fixing of standard prices for agricultural produce is certainly of definite practical value in itself, but it also goes some way to fix incidentally the value of money within Great Britain. It is a practical step that can be taken at once. It is not necessary for our immediate purpose to go further in consideration of the question, than this; but it is well to realize that there is a proposal which has considerable support in the colonies to extend this scheme to securing a standard price for agricultural produce throughout the Empire.<sup>14</sup> It is suggested that this will be a step towards a stable currency. Bankers and others have also various schemes for creating a standard value for money throughout the civilized world. These schemes differ from the proposal here given in that they cannot be immediately applied. All these plans, and others, such as the issue of labour notes, that have been put forward from time to time, have the same object: to put money into its proper position as a common measure of value, to make it a token. No final and generally accepted solution of this part of the money problem has yet been arrived at.

The second problem, sometimes called the credit problem, is a little more difficult to understand; of this, however, solutions have been suggested which appear to be sound. This question also requires explanation. The issue of credit for the purpose of increasing wealth involves, in the terms of practical life, a proposal of this character. It is a proposal addressed to workmen and to owners of goods to this effect. If you will respectively do the actual work and provide the materials, in order to produce the wealth that is needed, you shall be recompensed out of the results of your labour; that is, out of the wealth you create. But you wish, of course, to be paid as the work goes on, or else you cannot live: you shall be paid in

money—that is, in these days, in notes, or else cheques, bills, or similar securities which can be turned into notes. These notes or other securities will finally be cancelled as against the wealth you have created. This is, in its essentials, a common form of business transaction.

The point can perhaps be seen more clearly if a practical example is given. It shows the position, the difficulty, and the definite solution that has been suggested.

Suppose it is wished to build cottages. We have in this country the clay to make bricks and tiles, and much, though not all, other materials needed. We have also the labour either immediately available or unemployed and capable of being trained. We want to bring these together: to do this it is necessary, in order to start, to provide credit against the wealth that will, as a result, be produced. How is this credit to be provided? As a concrete example, the case of the Glasgow Corporation may be taken. Mr. Wheatley, the present Minister of Health,<sup>20</sup> recently pointed out that for every £500 raised by the Glasgow Corporation to build a cottage under one of the Housing Schemes of the late Government the charges for interest, commission, and other financial costs were about £1,080. The rents asked on these schemes were, therefore, it appears, at least twice the rent that it would have been necessary to ask, if these charges could be dispensed with; in that event the rent could have been the true or economic rent computed to cover sinking fund, repairs, and certain minor expenses. When this point is understood, there emerges an explanation of the well-known anomaly that has puzzled the public for a generation: that it is, broadly speaking, never possible to build in Great Britain fitting houses for working people at such rents as working people can afford to pay.

Financiers defend their charges, whilst some economists

and sociologists of repute have advanced arguments to show that the introduction of such charges is the main cause of our difficulties in national development. But the point may not be of such real importance as appears at first sight, for an important suggestion has been made for dispensing with the aid of the financiers and thus of their charges, and proceeding to build without their help.

It is now desirable to return to the general theory and to explain the modern knowledge that throws light on this question. The true source of a nation's credit is, it is argued, not gold or silver, but the accumulated wealth and future productive power of the nation controlled by the State as represented by the Treasury. And what happens, it is said, under our present system is that the financiers are in the position of dealers: these dealers in money have practically secured a monopoly in their business and so are able to come between this national source of credit and the workers and others who are in need of it. They form an artificial barrier. They either do not provide credit at all when it is needed, or else make a heavy charge for interest and expenses for providing it. This charge, in the view of at least some authorities, constitutes what is practically a private tax.

The elimination of these dealers in credit is the problem. One method of dealing with it by institution of a special bank is given in a later chapter. But there are other methods of eliminating the dealers in money for which precedents are to be found in action taken in Czecho-Slovakia recently, in France before the war, in Guernsey in the last century, and in the United States.<sup>9</sup> In these countries credit has been provided direct from national or municipal sources, and there is no apparent reason why a similar procedure should not be adopted in England. The result of adopting a system based on this idea of elimination

of dealers in money would be that the national credit might well be made available for payment to owners of goods and to workers engaged on productive work of national importance direct from the resources of the nation represented by the Treasury.

It is clear that there must be certain limitations to the use of this method of providing credit, but there seems to be little doubt that it can be safely adopted for rural cottage building either by a public authority, the State in another form, or by a non-profit making society of the character that built cottages before the war acting substantially as an agent for the State. The authority or society would then be able to pay for wages and goods needed out of the credit so supplied. This method seems peculiarly suitable for application at the present time, since owing to the large demand for cottages there is no element of risk in the transaction, and the amount of credit needed to be issued is extremely small in relation to that issued for the normal trade of the country.

There may be some slight expenses involved, but no question of interest need arise and no charges need fall on the Treasury or on the rates. The worker and the work will, however, be brought together and the building of cottages will go naturally on as it would in any country where our financial system did not control the situation. The rents will then be the true or economic rents, which will be within the capacity of working people to pay.

The exact procedure is a matter for specialists,<sup>9</sup> but one simple method to deal with the housing question under the law as it is at present is to provide credit by the issue, through the present banks or otherwise, of what are called Treasury Certificates, or of Treasury Notes, an advance to be cancelled in due time through the payment of rents. But the advance can be made in other ways ; for example,

through the issue of Municipal or other special notes, as was done—though without perhaps sufficient precautions to secure complete success—at one time in Guernsey, through a bank with special powers, as is suggested later in this book, or by utilizing a form of procedure adopted at one time, and probably still, by the Bank of France in conjunction with the French Treasury for financing agricultural development.

This method, the converse of that employed during the war, when credit was issued for the purpose of destruction and not of creation, should, it is suggested, whilst creating employment and wealth, tend to strengthen our national financial position.

For purposes other than housing the proposal given in a later chapter of the book appears more suitable.

Ultimately, no doubt, the control of money will be taken out of the hands of bankers, financiers and others who work at a profit.

There is another point in connection with the consideration of money questions, which constantly causes misunderstanding. Many people imagine that national finance is governed by the same laws as the business transactions of an individual, and they argue from one to another. This is a complete illusion. The individual and the group, of which the nation is only a development, are, as the mathematician would say, in a different dimension: from this it follows that laws governing an individual constantly differ from those governing a group; an individual and a group belong, indeed, to a different order of nature, just as, to take a simple illustration, a quadruped differs from a bird.

The financial laws which govern an individual and a group are indeed usually different and constantly exactly the opposite. Some simple illustrations are given. A



woman can make a living by doing nothing but undertaking washing for a group, but a group can only become impoverished by devoting themselves to doing one another's washing. A man can get rich by robbing others, but a group cannot get rich by robbing one another. A farmer can get rich by reducing production, but a nation cannot enrich itself by reducing production, all round. The easiest way for a man to get rich in these days is often by definitely non-productive work such as banking or dealing in money or goods, work that may or may not have value in itself; but this is not true of a nation, for, with certain minor exceptions, a nation cannot get rich save through the productive work of its members. A man can get rich in a competitive trading struggle in which he crushes others down, but it is unlikely that the nation as a whole benefits from such a struggle, which enriches one and impoverishes the many. It is, indeed, a commonplace that a nation often becomes impoverished by the very process, such as war, that enriches many of its individual members.

It is not necessary to elaborate this point, but it is important that it should be borne in mind.

The proposals that are advocated in this book to deal with the financial side of the problem are not, of course, a solution of our financial difficulties, but they will, it appears, clear away the principal financial obstacles that stand in the way of progress in the reconstruction of rural life.

## CHAPTER VII

### *THE MIND OF THE PEASANT*

**T**HE last two chapters of this book are well calculated to leave many of the readers with the impression that we are in a complete muddle due to an incapacity to see things as they are. That is perhaps the truth. What we want, then, is to get rid of theories and come down to facts and common sense and to a simpler outlook. But how are we to do this ?

On this subject there follows first a digression and then a suggestion.

I spent part of the year 1922 in the great plain that covers Central Europe, in the land of the White Russians, a primitive peasant people. The province where I was living had been devastated by war and subsequently annexed by the Poles. I was engaged in reconstructing agriculture : as I worked, I studied the peasant mind.

What is there in the mind of the primitive peasant, as one saw it in White Russia, and of the educated peasants of Denmark, that our leaders of thought have lost ? What is the essential difference between the peasant outlook and the outlook of those delightful people in authority who write to the *Times*, publish pamphlets and books, address public meetings and summer schools, who have in the past controlled Parliament, and appear to be bent on confusing the minds of the people and, under cover of this confusion, maintaining our present system ?

Why is it relatively easy to reconstruct agriculture

and rural life in a remote province in White Russia, and why can we have great increase of production and every sort of educational facilities and interesting social life in Denmark—both poor countries—when it is so difficult to take any immediate step to reconstruct rural life and provide educational facilities and social life in rural England, an extremely rich country ?

The difficulty certainly arises from outlook.

The Russian peasant is educated by religion and by life ; he has a strong and vital faith in spiritual things, and he applies it to life and to material affairs. To him, a field of corn is a basic thing ; it is the food for his village. The forest gives him the wood to build his house, a house not to let, but to live in ; the woods also provide firing to keep him warm and cook his food. His warm coat is of the wool from the sheep : the sheep's skin forms his winter cloak and gloves : the flax provides the linen for his shirt and his wife's pretty summer robes : if his wife can get a little dyed silk or linen, she can do beautiful embroidery for herself, for her husband and for the children. Seeing such things vividly, the peasant settles down to create wealth, and in a couple of years a desolate district is reconstructed.

But the typical English leader of thought has lost this peasant sense ; this direct vision. He is educated by books. He lives in a world governed by abstract ideas derived largely from politicians, financiers and statisticians. In the main, he thinks in terms of money and figures. A field of corn is not food : it is an item in an account, and if it appears on the balance sheet that it costs more to grow than it secures from the dealer, he passes into a world of illusion, and finally believes that the creation of food is loss to the country. He advises the farmer to grow less food and to keep accounts.

What would have happened, if such an outlook had governed Egyptian civilization in the time of Joseph, when the question of storage of corn in the seven fat years came up? Pharaoh would have referred it to the Treasury. The Treasury would have pointed out that the initial cost of the corn stores, the high rate of interest on capital, the sinking fund and overhead charges, the depreciation due to the inroads of rats and the corruption of officials, the inordinate expenses of bureaucratic control and other overhead charges, would have more than absorbed the initial expenditure, and that it would be a complete financial loss. In the heat of the argument, the corn would have been forgotten, the scheme would have been turned down by the Treasury, and the people would have starved.

The Russian peasants make no such mistakes. Their minds are trained in the lesson of facts; they have a direct vision; they do not keep accounts, but they produce wealth; and so long as they keep out of the hands of the town-bred Jews, the natural law of increase of wealth goes on, and all goes well.

The Danish peasant, with the educated peasant mind, includes in his idea of wealth not only material wealth but wealth of the mind, education and happy social life. He, two generations ago, set his face in the right direction: when he saw that the economic and financial system blocked the way, he saw also that it was wrong, and at once set about getting it changed. In this spirit he introduced, so far as he was able, democratic control, co-operation, and then flat-rate prices within his own country and other features of the old Guild System: thus he created the elements of an economic policy directed to wealth production; so he created, and still creates, wealth, food and clothing, village halls and cottages,

education and social life. Here natural progress has gone on for two generations: if, as is now possible, a decay takes place, it will be due to the loss of his clear vision and a determination to enter into a competitive struggle for foreign trade.

The parable taken from the story of Joseph is no fantastic illustration. It is not the whole story, but it shows what may happen to those who lose their peasant sense. I have indeed read letters in the Press based on similar illusions. Lord Ernle<sup>20</sup> has advised the farmer to grow less food. Sir Daniel Hall<sup>20</sup> and other speakers when addressing the Oxford University Extension Summer School in 1923 sketched a future for English agriculture based on lowered production. Mr. Neville Chamberlain,<sup>20</sup> when Minister of Health, considered it a sounder policy to encourage the building of cheap cottages rather than good cottages. Lord Ernle and Sir Daniel Hall had somehow forgotten that food was wealth, and that the more wealth we produce, the richer we shall be. Mr. Chamberlain had forgotten that the cottage was wealth, and the better the cottage the wealthier we should be. The British Government forgot in the years following the war that education was wealth, and reduced education facilities. Thus, by a strange inversion of thought, we create poverty—material poverty and poverty of ideas.

It is then the duty of those who are interested in these questions to educate themselves. We have to see clearly what wealth is, and if our economic and financial system is preventing its creation, we must realize that it is the system that is wrong. Above all, we have to leave off thinking in terms of money and statistics. It is well to recognize that it is almost as hard to gauge wealth by money or facts by figures as to measure potatoes by pothooks or turnips by talk.

When we have grasped the errors in our outlook, we shall come back to the peasant sense, the New Learning and the Economics of Facts, which teach the same thing, for they teach how to put the creation of wealth first and make money the servant of production, that is to make it available whenever there is a real opportunity to create wealth.

When Britain understands this, there will be no difficulty in the way of reconstructing the country-side: our national policy will be directed to the creation of true wealth, the homes, the food, the clothes, the firing, the employment, the education and the happiness of the people.

The rest will be a matter of detail. This detail is dealt with in the next part of this work.



## **PART II**

### ***THE NATIONAL POLICY OF FOOD PRODUCTION***





## PART II. THE NATIONAL POLICY OF FOOD PRODUCTION

### CHAPTER VIII

#### *THE IMPORTANCE OF THE SUBJECT*

**T**HOSE who have read the first part of this book will have realized that the ills from which the English country-side suffers are not peculiar to the life of the present generation, nor are they of the kind that can be cured by a single political change. Land may be nationalized or in some other way made available for productive purposes, credit may be provided for the farmers, but unless the trading difficulties are overcome we may yet be no better off than we are to-day. Even if the trading system is reformed there are other problems, such as the securing of proper houses, good wages and a new standing for the labourer, and a new social life for the village. Even then, there is the town's side of the problem to be dealt with. The provision of food at prices cheaper than at present and the drawing of some part of the surplus town population into the country. "When there are a dozen holes in the bottom of the pot," said an old villager, "it's not much use mending one. You have got to mend them all or none. Maybe you had better put a new bottom in." A sound comment this on the present position.

The policy here suggested has at least this advantage, that it does deal with the problem as a whole : it at least attempts to stop all the holes.

Any policy involving radical changes is met by obstacles

arising from our national outlook. Few people realize clearly the terrible price we have to pay for the present form in which our industrial system has been cast. And this is especially true of those who live in conditions of comfort themselves. Many also fail to grasp the fact that whilst this tragedy of the country-side is seen to some extent in the villages, the results are far more acute in the towns. They thus fail to attach sufficient importance to the question of rural reconstruction; they do not realize that the rebuilding of agriculture and country life has now become a problem of the first importance. Some, moreover, who profess to believe in the urgency of the problem are half-hearted about it and do not realize the possibilities of reform. Finally, a considerable number of the population still believe that agriculture and rural life is a secondary matter. "We are," they say, "essentially a manufacturing country, depending on foreign trade; the rural problem is not of national importance: it is sufficient to do a little patching up."

But the mass of the more intelligent sections of the population in both town and country are being rapidly convinced that some radical change is needed. But even in influencing the minds of these people another difficulty constantly arises. It is so the habit of many people to use their minds to create obstacles, to "crab," as country people say, any new scheme, that it is difficult to persuade them to take the opposite course, to find out what is good about a scheme, and then, after modifying it if need be, to put it into force.

The object of this chapter is therefore to endeavour to make clear the importance of the subject; to make people realize the fundamental fact that the problem of the rebuilding of rural England is not primarily an

affair of labourers and farmers, who are but pawns in the game of life; it is not merely an affair of the countryside, it is more a question for the great populations squeezed into our manufacturing towns. But it is a far broader and deeper matter than that. It is a question of the future of our race. It is when this is grasped that we obtain a true point of view, and everything falls into its proper place.

It has been already pointed out that in all great civilizations of which we know anything, the drift of the country to the town has been followed by great wealth and great poverty and then decay. We have only to look at the present conditions to-day to see a similar phenomenon. Largely as a result of this trend to the towns we have a condition amongst a mass of the workers in both country and town that is hideous in most aspects. Although science and knowledge and power are so developed that fifty reasonably intelligent workers could easily, it appears, without excessive labour, produce, if there were any sort of intelligent organization, all that is necessary for a life of simple comfort for at least 1,000 individuals, we have, especially in our towns, every sort of poverty and misery, accompanied by disease and stunted lives amongst a large proportion of our population.

To consider this question in detail.

We have a housing problem. "The want of proper houses (both in town and country)," says the Report of the Select Committee on the Housing of the Working Classes Acts Amendment Bill (1908), "is at the root of many of those deplorable evils, the repression of which has cost the public millions of money in the shape of Workhouses, Asylums, Hospitals, Infirmaries, Sanatoria, Reformatories and Prisons." It also causes, which the Committee have, it appears, failed to emphasize, an infinite

amount of personal misery. It is suggested that there is no cure to be found for the housing problem by building in the already overcrowded towns: the building of cottages in the country, in villages or garden cities, is the true remedy; it should be, as will be seen, a simple matter when we adopt methods based on sound economics and finance.

We have always unemployment: this problem is at the present time especially acute, for we have now a great mass of men, women and young people who have been unemployed for years. Not only does unemployment, if prolonged for any length of time, tend to destroy the power of the victims, but it breeds unemployment, for every man who gets out of work ceases to be a customer for many things, and so tends to throw others out. This tendency of unemployment to grow indefinitely has always been defeated in the past by some demand from countries beyond the seas or by some other special revival or growth of trade. There is certainly no possibility of such a foreign demand for many years, and it is very unlikely there will ever be any widespread permanent development of foreign trade in manufactures: there are certain possibilities in the gradual development of our colonies, but other nations will more and more develop their own industrial life, and probably also tend to consume their own food. Here again the country-side offers immediate help. There is an immense amount of work to be done at once in the country. And all this work is productive and profitable to the nation. We can, in addition to building houses, find work for hundreds of thousands in agriculture: we can quickly double our food production, gradually increase our output of wool, hides and sugar, and less rapidly spread afforestation. All this can be done as a complement to our town life,

and on a sound economic basis, whilst the results will be permanently beneficial. Politicians will perhaps criticize this, but their arguments do not seem to bear analysis.

Estimates vary as to the number of men that could be employed with advantage in agriculture. Sir Charles Fielding<sup>20</sup> suggests there is enough agricultural work to give a good living to two million extra people. That may be an outside figure, but we ought to be able in the next few years to find work on the land for 400,000 men. Many capable men in the towns who have recently come from the villages would take up this work without special training; others no doubt would have to be trained. This, of course, takes time, but it would not be long before men so trained would be at least self-supporting. These men can all be employed in the creation of wealth, and as they come into work they will build up a new home market, and bring more men into employ in the towns. With this development should go revival of the specific industries which belong to agriculture, and if in addition we use our coal supplies to create electric power and spread it through the country-side, we can bring into the country a large number of our town industries.

No one supposes that the solution of the problem of unemployment is an easy one, but development of the country-side is the most direct way of attacking it.

The cost of creating our food on our own land is relatively low, and there seems no reason to doubt that we can do what has been suggested concurrently with paying good wages and reducing substantially food prices in the towns.

There is also the extremely important question of the health and stamina of the nation. This is not going to be put right whilst people are crowded into the slums

of our great cities, where health and strength slowly decay. These slum livers have to be gradually brought out to our country and market towns and villages or to new garden cities, where a healthy national life not too far removed from the regenerating power of nature can be built up.

It is worth while to make a definite national effort to secure these results. They cannot be obtained by tinkering with the subject : there must be basic reconstruction. We must put a new bottom in the pot.

Even when the importance of the subject is grasped, it is difficult to make people realize that any solution of our problem based on fundamental change is possible. They are immersed in the system under which they live and know so little of other industrial methods that they are frankly incredulous of any possibility of radical change.

This state of mind can only be removed by knowledge. Before, therefore, setting out the actual proposals, and in order to remove ignorance, an explanation is given in the chapter that follows of the two principal industrial systems with which economists are familiar : following that is a special explanation of the policy of standard prices which forms the economic basis of the proposals which are here recommended. When these two matters are understood, readers will see clearly the two ways before the nation and be able to make a choice.

## CHAPTER IX

### *THE TWO INDUSTRIAL SYSTEMS AND THEIR APPLICATION TO AGRICULTURE*

**H**ISTORY tells us of two systems that have sprung up to control the organization of industry and trade. The first, sometimes rather inaccurately called the Guild System, based on the principles of general mutual aid and of standard prices, was directed primarily towards the production of material wealth. It had a controlling influence over European industry during some three centuries of mediæval life. It weakened its hold in the fifteenth century, when men began to discover new methods of becoming wealthy without doing any creative work, but its underlying ideas exercised a definite influence over English rural life until the beginning of the nineteenth century. From the fifteenth century onwards the second system, with which we are all of us familiar, gradually increased its hold over the industrial life of Europe, until at the beginning of the nineteenth century it had obtained an effective control over the industrial life of the towns and of the business side of agriculture. This system differed from the earlier system in that it was based on competition, more especially in prices, and was accompanied by a great accumulation of private capital, which in fact carried with it a control both of the lives of the workers and of the material wealth they created.



The earlier system was to some extent inspired by a definite attempt, supported by the Church, to apply the principles of Christian morality to practical life. The modern system was supported by an idea that if we put on one side such moral theories and left everyone to fight for material interests we should in the long run secure the largest possible production of wealth, the development of a healthy individuality and the greatest happiness of the greatest number.

A prolonged theoretical controversy took place in the eighteenth and nineteenth centuries over the advantages of these two systems, in which neither of the antagonists paid much attention to the practical value, in for example agriculture, of combined action with the resulting increase of wealth, employment and happiness, and the destructive effect of the competitive system in limitation of production, and therefore wealth, and the maintenance of poverty, misery and unemployment. As in many controversies of those times, the actual facts were not recognized.

Meanwhile, the later system, which definitely benefited a majority of the new ruling classes, was consolidating its influence; ultimately, towards the end of the last century, it became so well established that it seemed to many intelligent people to be based on some irrevocable law of nature. The catch-phrases of its supporters or apologists, such as "the survival of the fittest," "the unchanging law of supply and demand," "the undoubted economic value of free trade and of competition," were in everyone's mouth. It is true that their exact value and meaning, when they had an exact value and meaning, were little understood, but the phrases passed into our current thought, and were all the more powerful from the fact of their inherent obscurity.

Even now they so influence men's minds that comparatively few people will consider what are the actual facts of life that lie concealed by the words. Even educated men will still argue for hours on the abstract advantages of "free trade" and "protection," but when it is pointed out that both systems may have value under special conditions, but in many circumstances are thoroughly unsatisfactory and of all the possible systems are the two that seem least adapted to our civilization, they are mystified. They have never thought of alternatives: of other possible systems of regulating trade. Why must we have "free trade" or "protection"; must everything be black or white? Why not a system of foreign trade based on co-operation, a development of what we find in Denmark, Canada and California to-day: why not a system of purchasing what is actually needed through a government department by one country from another? Disputants are even more puzzled if it is pointed out that the first thing is to consider the economic value of trade, and that the facts go to show that trade is sometimes advantageous, producing wealth and employment; sometimes destructive, producing poverty and unemployment.<sup>7</sup> Such basic facts are so elementary that few see them.

Remove the screen that these phrases have created, study the actual facts of trade and the history of the building up of our industrial system, and it will soon be realized that the present system is not only purely artificial but extraordinarily inefficient. Notwithstanding the wealth that the growth of machinery, power and science have made possible, it will be seen that the working of the industrial system stands in the way of the provision for the mass of our people of homes, food, firing and clothing, of education, health and happiness, whilst even when there is an infinite amount of work to be done,

the system thrusts and keeps the men who would willingly do it into a gutter of unemployment. Moreover, history teaches that the system is quite modern and, in this country at any rate, would never have arisen without legislation. Being purely artificial it can be destroyed or remodelled : indeed, if not remodelled, it may rapidly destroy itself and perhaps our civilization with it.

The modern system did not obtain complete command over English agriculture until the first years of the nineteenth century : it has now exercised that control for over a century, and its effects can be measured. Undoubtedly it has been accompanied by a series of disasters under which the labourers suffered the whole of the time, and the farmers and other classes intermittently. Of recent years it has resulted in a definite lessening of production and reduced employment. Notwithstanding efforts made by many country people of all classes to dislodge it, this system has maintained its control, save during the war, up to the present time, though some inroads have been made upon it by the partial introduction of Agricultural Co-operation. In other countries its influence has been reduced. In Denmark, notwithstanding special difficulties, the business side of agriculture escaped to some extent from the industrial system as we know it, and a return was made to the earlier system with remarkable results in improved conditions of life and in great increase of production. But even in Denmark a complete escape has been impossible.

It is of the utmost importance to understand quite clearly what this industrial system means in its relation to rural life.

It is a striking feature of the system that whilst the price paid by the consumer for the output of the land is abnormally high, nothing like the full price ever reaches

the man, whether he be farmer or labourer, who produces it. A greater part of the consumer's price, sometimes, indeed, the whole of it, is absorbed by an unnecessarily large army of retailers and dealers, supported by bankers and financiers, who have gradually been introduced between the actual worker, the producer, and the consumer. Crops are grown and harvested; they are of priceless value to the nation; they are wealth; they are gathered from the fields into the markets; as a rule they fetch a high price from the actual consumer, but what is relatively a mere pittance, little over one-half of what could be reasonably claimed, comes into the pockets of farmers and labourers.

But waste in distribution is not the only astonishing feature of the system; as has been pointed out before, instead of a farmer receiving a regular price for his produce, a price, however low, to which he could work and base his business, prices of all agricultural produce vary from year to year, from week to week, from day to day, even from hour to hour. These variations are in no sense an evil arising out of the war; they have been going on for over a century: neither are they trivial in extent; they constantly represent the difference between a large profit and a heavy loss on an individual crop. A farmer never knows what money he will get for his crop, and he can never plan out beforehand, and it is of the essence of success in agriculture to plan out for years ahead, what he can grow with best advantage for himself and the nation.<sup>10</sup> The result is that the business side of agriculture is too often a pure gamble, in which, though individual farmers sometimes win, the dealer and the man who finances him are almost always the gainers.

There is a third even stranger aspect of this trading system in its application to agriculture; not only do

farmers and labourers fail to secure an adequate reward for their labour, but actually, in a large number of cases, it does not pay the man who controls production, whether he be the farmer or his financier, to produce to the full—to get the most that can be got out of the land. Everywhere, indeed, is to be seen the anomaly which has been referred to before, that whilst science and machinery have made it possible to increase enormously the output of the land, our financial and economic system holds the farmer back. It is constantly the fact that the less wealth a farmer produces, the greater is his reward ;<sup>11</sup> by letting his land go down to grass, by limiting output of both corn and stock, by dismissing labour, by, in fact, limiting the wealth of the nation and creating poverty, a farmer may do well for himself, whilst his neighbour who retains his land under the plough, growing corn, producing the greatest possible amount of meat and milk, and thus creating wealth and providing employment, may be ruined.

There is a fourth aspect of the industrial system that also requires to be emphasized. Even when there is certain definite work to be done of national importance and value, such as the building of cottages, the reclaiming of waste lands, the extension of forestry, all of which stand for the creation of wealth, and have enormous economic value, we cannot proceed. The work is there, the workers are available, but the financial side of the system prevents the two being brought together.

The result of this crazy system on the workers, in town and country, is this: the whole of our workers, whether townsmen or villagers, are paying unduly high prices for food, and also, as a fact, for other necessities, for the features that have been described in relation to agriculture are in their main outlines true of the production of all the

necessities of life. Moreover, whilst there is an ample margin to justify good wages, the greater number of workers in the country, and also, for that matter, in the towns, are poverty-stricken. Both classes of manual workers suffer together, and many of the middle class suffer with them.

We have, therefore, not only to find a way to break down the present system of control of power and take advantage of such energy and initiative as remains in the country-side, but also to remodel industrial methods so as to create a new impulse directed towards production and employment, and the encouraging of enterprise. We have also to make credit available for the purpose of making this new impulse effective, to give to farmers a due reward for their work, and to secure for the labourer a sufficient wage and a position of independence. When that is done the great knowledge that science has given us can be utilized to the full: production will go ahead. The experience of other nations and our own experiments show exactly what is wrong, and how it can be remedied.

In order to see clearly what it is possible to do we can now with advantage consider the earlier system, many features of which have been successfully applied in Denmark, Canada, California and elsewhere, and to a small extent in a partial way in the farmers' co-operative movement. This system was based on a policy directed towards production and controlled by four main ideas. These ideas were: (1) Fixed and just prices; (2) direct delivery from producer to consumer; (3) control of each industry by the persons engaged in it, and (4) the employment of surplus wealth in education, amusements, religion and charity, and the erection of communal buildings. Of these the first two formed the business' basis of the system.

It was laid down that prices should be fair and fixed in

relation to cost of production ; or, as we should say to-day, there should be standard prices. The producer was not allowed to secure more than this price, and, what was equally important, he was not to take less : there was to be neither overcharging nor undercutting. The practical effect of properly regulated standard prices, dealt with more fully in the next chapter, is very remarkable. The producer has no longer to worry himself about the variation of market prices : he concentrates his attention on producing. The farmer has to farm, his proper function. The luck of the weather is still with him, but not the gamble in prices ; he has a fixed price to work to. What he gets for himself is governed by the amount of the crops he produces and their quality. A healthy emulation is encouraged, since the better the farmer farms the greater will be his reward. But he cannot be allowed to try and get a temporary advantage over his fellow-farmers by securing for himself a price above the standard or by cutting in at a lower price, for both these courses break down the system and lead to instability and ultimately disaster for all.

The second practical idea of the earlier system was this : it was held that unless conditions of trade made it unavoidable no one should come between producer and consumer to make a profit in dealing, and that so far as possible the fair prices should be paid direct by the consumer to the producer, and all intermediate profits avoided. This idea was the last feature of the old system to be given up, since the practice of dealing in farm produce for profit did not become recognized until the beginning of the last century. The value of this idea that no one should come between producer and consumer, if it is to be clearly understood, has to be interpreted in relation to conditions of life of to-day, when the inter-

mediaries have become so powerful that in agriculture they secure for themselves far more than the amount paid to the farmer. The practical application to-day comes, then, to this : that distribution of our food supplies should be carried on in the simplest and most effective way, and that there should be no class of persons whose interest it should be to buy at the lowest possible price and so tend to underpay the producer, and to sell at the highest and so tend to overcharge the consumer. On the contrary, the interest of the intermediary, if there be one, should be at any rate neutral, but if possible it should be reversed ; that is to pay a fair price to the producer and, subject to that, to charge the lowest possible price to the consumer. It is this result that the scheme set out in the later chapters will go far to secure.

These two practical ideas of just prices and direct delivery from producer to consumer were in the past put into general practice and were enforced in part by law, in part by custom, and in part by special regulations made by the members of each trade.

There can be no doubt that the adoption of these two principles would, if supported by an intelligent credit system, form a sound economic basis for a National Policy of Food Production. As a result of their adoption we ought to obtain increased production and more employment, and at the same time be able to lower prices to the consumer. It will perhaps help to make clear the importance of such a national policy of food production, if the extent of the financial questions involved is realized. The waste and loss from all sources arising from the present system of distribution of our home-grown food supplies is estimated at somewhere about £150,000,000 a year ; there is probably an even larger waste in the distribution of imported food. There is also



under-production, represented possibly by, at present wholesale prices, over '£200,000,000 a year. The number of families that might with advantage be transferred to rural districts to work in agriculture or rural and other industries if a national policy of food production were adopted, can hardly be less than 400,000; it might probably be twice as many, and possibly even more. Moreover, the result of economies that will be effected in distribution of our home produce alone by the adoption of the practical policy advocated in this book should make it possible to introduce a legal minimum wage of £2 10s. a week, and yet leave a wide margin for the increase of farmers' profits. Prices to the consumer could concurrently be reduced substantially, perhaps by fifteen per cent. It would apparently also be possible to set aside out of the same fund something like £500 a year to every village for social development, a further sum for education, and yet leave a wide margin for the costs of reorganization and the compensation of any of the present intermediaries it might be found necessary to displace.<sup>4</sup> At the same time the prosperity of agriculture and the increase of production would result in a great increase in home trade.

Such changes will not, of course, solve the economic difficulties of England as a whole, but may be looked upon as the contribution that rural England can make towards the solution of our national problems.

We have now to consider the two other aspects of the alternative industrial system: they are of great importance, for it is very doubtful whether a policy of production could stand without their support.

It was part of the underlying theory of the earlier industrial system that an industry should be controlled by those engaged in it; this principle has in a modified

form been applied to Danish agriculture, where the land is, as a rule, owned by the working farmers, and the distribution of agricultural produce is in large part controlled by the farmers through their co-operative societies, whilst there is some control of capital by the peasant farmers' associations.

The question of control of English land and responsibility for the conduct of English agriculture as a whole is of the greatest importance, for there is not, and never has been, in England any organization representing those engaged in agriculture with power to arrange for the development of our land and the increase of our food supplies. There are at present four main groups concerned in English agriculture. The most influential is probably that formed by the dealers; next in influence are the farmers, who are divided into two sections, the larger capitalist farmers and the smaller working farmers, with somewhat different points of view: many of these farmers are dealers and so have a common interest with the first group. Then there is the landlord class, not now so influential as it used to be, and lastly the largest and from some points of view the most important group of all, the labourers. Landlords, farmers, labourers and dealers in their trade associations are separately organized, but the various organizations only represent a proportion of each group.<sup>12</sup> The interests of each of the four groups conflict in many points with the others. Some really representative body with general control over both the land and the business side of agriculture, and authority to make terms with the Government and direct a policy of production, is an absolutely necessary step to progress.<sup>16</sup>

Who, then, is to control the general policy of the industry of agriculture? Farmers will condemn outside

interference and applaud a proposal that "Agriculture should be controlled by agriculturists," but they will in their hearts mean that the control of agriculture should rest with the farmers. To put the power into the hands of the farmers alone might be disastrous, for history gives no example of a controlling class using their power to benefit the class they rule, and the control of agriculture by the farmers might still leave the labourers in their present position.

On the other hand, provided that prices to the consumer are fair, wages kept at a high standard, and production carried on satisfactorily, outside control is a mistake. Other people have plenty to do to manage their own affairs, and anything that could possibly be gained by the intervening of the industrial classes and politicians in the direction of agriculture and detail of rural life, would be lost by the weakening of the responsibility to the community of the farmers, labourers and other rural workers. From every point of view there seem obvious advantages in entrusting the general management of land and of the industry of agriculture to a democratic organization representing rural workers of all classes.

There is one obvious advantage in democratic control: whilst the people who are financially interested in an industry are primarily concerned in making money out of it, those who are at work in it are primarily concerned in its development. The lives of the labourers, working farmers, village craftsmen and tradesmen, and of their families, depend, indeed, in the main, on the increase of production and employment, on securing good cottages and improvement of social life. The workers' interest stands for creation of wealth rather than accumulation of money. Whilst, therefore, the adoption of a national policy of production, based on fixed prices, will give a

financial inducement to the farmer to produce, democratic control will not only exercise a driving force in the same direction but will also help to secure that the profits are not absorbed by a single class.

The fourth and last practical principle of the system we are now considering can be stated thus: that those engaged in an industry should take a definite responsibility for all classes of workers in the industry and should utilize surplus profits for the relief of poverty and the development of education and social life.

This may be considered a debatable proposition, but it is clear that when once we put the effective control of the life of the workers on the land, whether farmers or labourers, into their own hands, and the financial position is secured by the introduction of standard prices, the provision of credit for economic development, a question to be dealt with later, and the organization of distribution, there will be a considerable amount of wealth that could be made available for general purposes. It is not unreasonable, after providing a fair reward to the farmers, higher wages to the labourers, and reducing prices to the consumer, that some share of the balance should be used in creating one of the most valuable of all forms of wealth—the building of village halls, the recreating of social life, and the spread of education: in making, indeed, life as rich as possible for our country people. Surplus funds might therefore, it is suggested, be made available for carrying out a definite policy for recreating rural life, an important element in any attempt to create a tide of migration from town to country. The existence of communal wealth, with a margin available for relief of misfortune, is also considered to be one of the greatest safeguards against poverty.

In the main this as a line of policy is new; but it is not

to be condemned on these grounds. It has, at least, one specific indirect advantage—it tends to block the way to the large accumulations of wealth in the hands of individuals, which the experience of the last centuries shows clearly to be a main cause of both poverty and servitude.

It is hoped that the leading characteristics of the two industrial systems and their relation to the modern problem are now clear. The evils of our present system are well known: it is the character of the new proposals that we have to realize. The basis is the standard price to which farmers would work, the organized distribution, and the provision of credit for such developments as are sound: then there is the control of the land and agriculture by the agriculturists, and the allocation of surplus profits to social progress.

Although there is little in these proposals that has not been tested and found to be successful in other countries, it will no doubt excite opposition on the ground that it is impractical. It is proposed to meet that criticism in the later chapters devoted to constructive policy and practical details.

## CHAPTER X

### *STANDARD PRICES*

**B**EFORE going further in the detailed explanation of our National Policy of Food Production, it is of the greatest importance that the principle of standard prices and the value of their practical application to English agriculture should be clearly understood.

Since the middle of the last century there has been a growing movement for the introduction of fixed prices in trade and agriculture, whilst during and since the war experiments in fixing prices have been applied to many branches of trade, in England, Europe and the Colonies. It is the most widespread new feature of industry throughout the world. The application of fixed prices to articles of food is being attempted in several countries and is being widely discussed throughout the English-speaking world. Organization has been employed, for example, to fix the prices of coffee in Brazil, for certain classes of produce in Denmark, in Canada and California, and for the price of bread and many other articles in England. Such price-fixing is carried out by Governments or local authorities, by co-operation, by trusts, or by general consent amongst members of a trade in a town or district. The basic evil that arises in almost all these schemes, whether for agriculture or industries, is that the price-fixing organization is made up of producers, or more often traders and financiers representing the interests

of producers; it has, as a rule, the control of the productive side of industry only; such organizations are therefore inclined to raise prices unduly. Moreover, although such individual schemes may last for many years, the price-controlling authority can hardly expect to maintain a standard permanently, since it has not the control of the trade as a whole. Other organizations and individuals come into competition, and prices are often forced down below the fair figure: then, as a rule, the remuneration of the actual productive worker is reduced. Something of this sort was occurring in Denmark before the war, and may be recurring at the present time.

But in English agriculture and food production, if standard prices were adopted, the difficulty of maintaining a fair price should not arise: we have our consumers in our own country, and with their concurrence we can fix and maintain standard prices for produce on a scale advantageous to all. All that is wanted is an organization representing producers and consumers to agree on a National Price List. The method of effecting this will be dealt with later.

What now is the exact proposal? It is this: (1) to fix in Great Britain from time to time the price paid to farmers and market-gardeners for their main articles of produce, at a standard figure arrived at after due consideration of the economic advantage of the nation as a whole; and subsequently, or perhaps concurrently (2), to fix prices to consumers. This standard price would give the figure for the best quality article and other leading grades. Then, when the produce came to the market depot referred to later, its actual price would be settled according to the grade by a responsible official: there should be no practical difficulty in this settlement; a similar estimate of quality has to be roughly made by

every buyer of produce every day of his life ; all that is needed is that it should be done systematically.

This standard price should be that which gives the best economic advantage to the nation at large ; in its settlement no other consideration should be allowed to come in. In case of corn crops, at any rate, the price should remain fixed for a term of years, and should be subject to at least four years' notice, whilst in case of other articles of produce it might be reconsidered every two or three years, until experience had shown exactly what was a fair figure ; but no alteration should be made without ample notice.

The settling of a National Price List would, no doubt, have to be done by a national committee, on which producers' and consumers' interests were represented. The machinery for appointing that committee is considered later. On this national price-list the future of agriculture depends.

This being the proposal, the advantages claimed for it have first to be considered.

In fixing prices, a step is taken to fix the internal value of British currency in relation to definite things, specific articles of food. When this is done we shall find we have gone, as has been pointed out before, some way in the direction of changing the nature of money, and giving it the character of a token. This is in itself an important result. It is a step towards the breaking down the most subtle and destructive of all practices, gambling both in food and money values, which is going on all the time in financial circles, and may go far to ruin any of us at any time.

But what is even more important is this : standard prices make agriculture as secure an industry as it is possible to make an industry that depends largely on



the weather. This element of security in prices reduces the risk of the business and makes it possible, as will be seen later, to provide funds at nominal or low rates of interest for definitely productive work, as, for example, the erecting of cottages wherever needed. When we have this security it will be possible to go straight ahead with the development of wealth, the building of homes, the erection of new farm buildings and co-operative factories, and the bringing land into its full state of cultivation, for there will be no doubt that such development will be profitable.

Standard prices will reduce the accountant and dealing side of the distributive business to a mechanical affair of very simple character. Transactions that would have passed through the hands of half a dozen middlemen, at all sorts of prices arrived at by costly negotiating of sales, will, thanks to standard prices, in conjunction with regulated markets, be put through in a few minutes. All that is necessary will be, as is explained later, for the produce to be measured up and priced by the proper official and the amount credited to the farmer's account. At the same time the farmer's accounts will be simplified.

The farmer will also be freed from bargaining about prices, with all the waste of time and money and character it involves. Moreover the grading of his produce and good packing, if the farmer undertakes his own packing—matters of great importance—will be definitely encouraged, since well graded and packed produce will secure a better price. He will also be eager for the advice and help of the scientist, and for all the knowledge he can obtain to make his land as productive as possible. His motive will be to produce and market the best food in the best way. At the same time, as there will be no

competition in prices between farmers, many will be definitely willing to give every possible assistance to others. Standard prices indeed definitely encourage everyone to help everyone else, and will break down the barrier between farmers caused by internal competition. It will destroy the particular element in life that creates the individualism of the farmer.

The settlement of prices for some years in advance is, of course, of immense importance to the farmer, for agriculture is not like an industry that can regulate in a few months the supply to meet the price variations in demand : it has to be planned out for years ahead.

Those who know anything about business matters will realize at once how the fixing of standard prices alone reduces the cost of distribution and saves time in accounts and minor ways. This should be reflected in a reduced cost to the consumer : it is difficult to estimate figures, but it is possible that there would be a saving to the consumer of five per cent., and probably more, on his cost from the mere process of fixing prices. But that is not the only advantage to the consumer. The workman's wife and every other housekeeper will, when consumers' prices are fixed, be able to buy whatever she wants at a fixed price, the lowest possible, without bargaining or going from shop to shop. The food budget will tend to become a settled thing, a matter of great importance to poor people. This will also have an important result when we come to reconstruct the life and business of the towns and to consider national rates of wages.

Standard prices, in conjunction with regulation of imports, whilst securing a fair price to the producer, will also prevent prices going up unduly, an inflation which may happen at any time under our present system owing either to shortage in this country or to the world's price

going up in any particular articles of produce; this latter contingency may arise later, as conditions of life change in other countries.

Lastly, when standard prices are combined with organization of distribution, there will be great advantages to the middleman: at present he is too often living a life of anxiety and difficulty; from this trouble he will be freed. His abilities can then be employed in the best possible way: an organizer by temperament, he will find his full self-expression in organization of distribution at a definite salary.

The introduction of standard prices appears, therefore, to be of great advantage in every direction.

We have also to consider the main theoretical difficulties.

It is said that there is no such thing as a price that is "just," that it is impossible to find out what figure gives the best economic results, and that the differences of interest of the consumer and producer are so great that no settlement could ever be arrived at: whilst it is also sometimes suggested that as world prices cannot be controlled, we cannot control our national prices. These are half-truths of less practical importance than they appear at first sight.

To take the second point. Amongst workers the consumer is also a producer and there is no real conflict of interest. If, however, what is really suggested is that there is a conflict of interest between town and country in regard to prices, it is clear that whilst the duties of the workers of town and country are reciprocal, their interests are identical to secure a fair return to the worker for his work and, so far as is compatible with this, the lowest price to the consumer of both food and all other goods. The economic enemy of both is the non-producer, who

comes between producer and consumer and lives by lowering the price to the one and raising the charges to the other. It can easily be seen how too high or too low prices for food are bad for all workers. Too high food prices damage the town consumers especially; but too low prices, by impoverishing the country producer, or producing rural unemployment, may hit the townsman even harder through general loss of home trade and prosperity and increase of unemployment. A fair price benefits all workers. It is usually the non-productive classes that do not understand this: the workers themselves see it easily.

Then comes the question of the principle on which the actual price is to be fixed. We want a price that gives the best economic results to our own nation.

How are we to arrive at this figure in practice? Two practical illustrations showing the method suggested are given. Take as an example potatoes: the farmers' price for potatoes went up to about £14 a ton about three years ago, and then ran down last year (1923) to 15s., and even, it has been said, to 5s. a ton in Essex: it has subsequently gone up to over £12. A fair price is somewhere between the highest and the lowest.

The actual figure at which the price of potatoes will be fixed will require very careful consideration and analysis, but it is suggested that a flat-rate price somewhere between £4 10s. and £5 a ton for best quality potatoes, and others in proportion, is the price that is most beneficial to the *nation at large*. And for these reasons: It ought to secure (1) that all, or almost all, the potatoes needed in this country are grown here; this will give a definite though small increase of national wealth; (2) that the maximum number of men are employed at a rate of wages that should work out at a figure

equivalent to about £2.10s.<sup>13</sup> a week; this should save something in doles or cost of living of those brought into employment; (3) it should secure a small increase in employment in the towns in the growth of home trade, which should more than balance any loss of foreign trade, a loss which is very unlikely to occur in fact; and (4) it will help to make it possible to supply potatoes to the towns at a regular price not over 1s. a stone for the best quality and other grades in proportion, a price well below the average of the last few years. Second grade potatoes might possibly be sold at 3 lbs. for 2d.

Now take the case of wheat. Wheat is only one item of produce out of a group cultivated under the four-course system: it cannot be considered alone. Notwithstanding that fact, a flat rate of about 15s. or 16s. a cwt. (65s. to 70s. a quarter) for best home-grown wheat is, it is suggested, the price that is most beneficial to the nation at large. This figure is a suggestion only; the actual figure is clearly a matter for discussion. A specially high price for wheat is not an essential part of these proposals; what is wanted is to make arable farming a paying proposition over a course of four years, or whatever other course is adopted. This price seems to be likely to be most advantageous to the workers in town and country. For these reasons: (1) It appears to be the only way of making it possible to go back to arable farming on any considerable scale. Productivity, it is generally agreed, depends on increasing arable land: this involves, so long as our present system of farming is maintained, and we know as yet of no other that would be effective, increase in corn production. This can best be obtained by regulating prices of corn. Thus we may hope to obtain an extra two million acres of land under wheat, and also a great increase in our

production of butter, cheese, milk and eggs on the arable. The increase in the nation's wealth which will accompany the extension of arable land will be very considerable, a matter of great importance. (2) This extension of arable would make it possible to increase the number of men employed on the land by perhaps 200,000: it ought to be possible to employ these men, if the other prices for the produce of arable were standardized, at a fair figure equivalent to about £2 10s. a week; there would be a proportionate saving in doles. (3) It should secure an increase in employment in the towns through growth of home trade; and (4) Provided the system recommended of regulating imports and organizing distribution is adopted, it should be possible to arrive at an average price of home and foreign wheat at about 12s. 6d. a cwt.; with wheat at this figure, we ought to be able to supply bread retail in the towns at a regular price at about 7½d. for a 4 lb. loaf, roughly ten per cent. below the average price of last year. Later, it might, in conjunction with other conditions, be possible to reduce the 4 lb. loaf to a lower figure, but that involves many economic considerations.

These estimates are given as an illustration of what might be done at once and to show the sort of points that the national committee ought to consider in settling their scale of prices. They may or may not be the true figures. In any case, directly we give our practical attention to the question there should not be any great difficulty in arriving at figures which would raise prices to the producer, reduce prices to the consumer, and be satisfactory to all sections of the community. A beginning might perhaps be made with pork and bacon, potatoes, milk and eggs.

The fixing of standard prices in this country depends

on the regulation of imports and their limitation to what we cannot grow economically at the standard price in this country. It is only by this method of limiting imports that we can secure that supply and demand are equal, an important element in our scheme.

This policy of controlling imports is of great importance and value, and needs some further explanation. It appears to harmonize the quarrel between free trader and protectionist. For, whilst securing for our agriculturist the protection of a fair average price, and giving him first claim on the home market, prices to the consumers are not raised, nor is the general trade of the country interfered with. Even in relation to those articles in which prices are not fixed, it gives the farmer a certain measure of security : it recognizes that he has some claim on the home market, and it prevents slumps. It is arguable that, under such a scheme, some of our foreign export trade would be reduced. That is not perhaps very likely to occur : if foreign buyers want our goods a way will probably be found ; trade will flow into another channel. Even if there were a reduction, it would be very gradual, and there would be a definite increase of home trade, as our agriculturists developed into better customers for home goods. In this relation the exact value of foreign trade is a question that deserves more consideration than has yet been given to it. Some forms of export trade appear to be definitely impoverishing the nation : for example, the export to Denmark of coal which could be used to advantage in our own country, in exchange for produce that we could produce ourselves, is of doubtful benefit. In any case, any export of coal is a national capital loss.<sup>7</sup>

In buying from abroad, it would also be possible to give orders well in advance, and if we wish to encourage

trade with our colonies, the buying authorities will be able to give a colonial preference when obtaining the necessary food from abroad.<sup>14</sup>

It should be clearly understood that when home and foreign prices were substantially different, the consumer's price could either be averaged year by year, or might be fixed on the basis of a standard price, in which latter case the savings in buying cheap from abroad one year might be put to reserve, to be utilized in the event of the world's price going up in a subsequent year. When this is understood, it will also be clear that the raising of the price for home-grown wheat to the English farmers would not be accompanied by a corresponding rise in the national selling price of wheat. The selling price will be arrived at by averaging the price of home-grown and foreign wheat ; under present conditions the price charged to millers for all wheat should be somewhere about 1s. a cwt. above the import price of foreign wheat. The actual figure depends on the proportion of the total wheat consumed to the wheat grown in this country. At present we grow under one quarter ; we may reasonably expect to double that proportion ultimately. In any case the saving by organization would be so much greater than the rise in cost that the price of bread would be substantially reduced.

The relation of rents and wages to prices is a question that will seem difficult to some thinkers. In commencing our new system prices will no doubt be fixed on the basis of present rents, but ultimately there will be some adjustment of rents of land, for example of land of especially good or bad quality.<sup>17</sup> As regards wages, the first thing is to settle a fair minimum, and all prices must be based upon this being paid.



## CHAPTER XI

### *THE SCHEME IN DETAIL*<sup>14</sup>

#### (a).—SOME GENERAL CONSIDERATIONS

THE specific proposals which are set out in this chapter are not based on any idea that the farmers and labourers of the country-side will suddenly change their characteristics. We may reasonably expect a considerable change of thought, a new enthusiasm amongst many, but the rank and file will be governed in the future as they have been in the past by the basic motives of life. What these motives are must be clearly realized before we can build up a new system. Men and women are not altogether selfish, as the earlier political economists were inclined to suggest, nor are they likely to become suddenly completely altruistic. Most people may be relied on on an occasion like a great national war to put their nation first, but the late war also showed that even in a national emergency some of our people put their own interests first and took the opportunities that the war gave them of making large fortunes for themselves and thereby impoverishing their neighbours.

What most men and women ask for is that the work of their life should be recompensed in such a way that they and their families can live under fitting conditions; that is, they need a fair reward for their work, such as will secure for them a comfortable home and congenial social surroundings: with that will come a healthy

common life. One main object of this scheme of rural reconstruction is therefore to secure a due reward for the men, whether farmers or labourers, who cultivate the land.

Explanation has to be made of the special form of organization that is suggested. There are no doubt many people who will think it is some new mould into which human life is to be forcibly pushed. This is an illusion. In its essential elements the organization proposed is one of the most common of arrangements. It is a form of organization that is to be found in the life of most nations and at all times. It is like the moon: its appearance varies; sometimes it is dark, sometimes bright; sometimes partial brightness gives it one superficial form, sometimes another. But it is always there.

In the Middle Ages and in Oriental life of the present time it was and is to be found in the Guilds of the towns and the communal organizations of the country-side. In modern times, before the war, it could well be seen, in the rural life of the Irish, the Germans, the Russians and the Danes. It can now be studied, in its successes and failures, in the co-operative and credit organizations of the Danish peasants and amongst the fruit growers in the Okanagan Valley, and elsewhere in Canada and in California. In England in the last century the basic idea was to be found in the villages in many Village Sick and Benefit Societies. The same idea is to be seen in towns in practical form in the great Co-operative Societies, and in the villages in the numerous land-holding groups, in the occasional so-called Public Utility Societies, which were before the war taking land and building houses and cottages in the country, in the agricultural movement for co-operation and the provision of credit, and in the work of the Village Clubs Association.

Wherever democracy is to be found, both the idea and the form of the organization that is suggested in this book spring up naturally : whenever an oligarchy, financial or political, arises it undermines and constantly destroys such organizations. But though they can hardly live in a competitive state, such movements always spring up again and struggle on.

These organizations have a common basis and a common method. They are concerned primarily to create or preserve real wealth, that is wealth represented by homes, clothing, food, firing, education and social life. They are democratic as far as democracy is possible, and they strive, unconsciously perhaps, to put wealth first and make finance its servant ; their object is to provide what is needed for life. They act by combined action, by mutual aid.

The organization here suggested is based on this natural form, but it is put into a national frame that should be strong enough to stand against financial and political influence. It is sometimes suggested that little can be done except by imperial or world-wide organization. England has its own Government, its own finance, currency and laws. This being so, there seems no doubt that we can organize effectively on national lines. National organization is the smallest and the greatest that is likely to work effectively.

An early and perhaps the first step to be taken in the rebuilding of our rural life is to go back to the common-sense idea that an industry should be organized as a whole and should carry on its own affairs in the common interest of itself and the nation, without political, financial or other outside interference. Voluntary local organizations obviously cannot do this : it can only be done by a powerful national organization of a form

that will secure the general confidence not only of all classes at work in agriculture, but of the nation at large. To such an organization should be entrusted the general control of our land, its cultivation, the financing of development, and the distribution of the produce. It will then be in a position to take definite responsibility to the nation for getting the land cultivated to the best advantage and putting the business side of agriculture in order. The importance of this point cannot be exaggerated. Lord Milner,<sup>20</sup> in his recent work on "The Questions of the Hour," refers to the essential advantages of such a method of controlling an industry. "It places," he says, in an illuminating phrase, "the onus of improving the conditions of any industry upon the people actually engaged in it, instead of attempting to effect such improvement by external pressure." This method is not, of course, going to solve all our questions, but it does definitely create an organization with authority and responsibility. This organization will have to direct its policy to the creation of true wealth and increased employment with a sufficient reward to those, whether farmers or labourers, engaged in the actual work of cultivation. With that in view such an organization will, there is little doubt, adopt the economic policy of standard prices and simplified distribution, backed by generous provision of credit. From such a policy will come great increase in production. Further it will in all probability be found best to have a threefold organization, one part concerned with the land, housing and production, the second with the business side of agriculture, and the third with finance. This division is practical and in accord with English tradition.

A new organization will have to be created by Act of Parliament, just as our parish, district, and county councils

were created. Certainly our present local government councils are not specially suited for this creative task; moreover, they have their own work to do, quite outside the sphere of agricultural reconstruction.

This new organization should be definitely democratic, and not built up on class lines. It has been suggested that Boards of Control or Committees should be elected for dealing with rural questions on class lines by delegates representing farmers and labourers organized separately, forming, no doubt, opposing groups. There is definite danger that this course will foster the competitive spirit between these two classes. Moreover, these divisions appear to be quite unsuited to country life. The interests of the small working farmers and labourers do not differ very greatly under the present system; they would differ less under the proposed reconstruction. The classes in our country life, moreover, merge into one another, whilst the village craftsmen and the large mass of people who are engaged in flour mills, jam factories and many other subsidiary industries, belong to neither class: they are apparently to be left out of the scheme. The village community should be considered as a community, and its members as men and women. The village Boards of Control proposed later or any other village or district committees that are set up should, it is therefore suggested, be elected by the general suffrage of the people in the village engaged directly or indirectly in agriculture, whilst to secure representation of the various interests some form of proportional representation should be used in the voting. Any other organizations that are created should be modelled on similar democratic lines.

The form which the scheme might take in detail is now to be given.

**(b).—PARISH LAND COUNCILS**

However sound our general ideas, we cannot scheme out an organization in theory only—in the air; we must come down to earth, and when we come down to earth we find at once that we must take some definite unit from which to work. It is proposed that we take the Parish as our basic unit for all purposes. Round this proposal there may well be a great deal of discussion, and in the end some other unit may be found to be better. But that will mean modification of our scheme in detail only. The parish certainly has advantages: it is a well-recognized unit; the country-side is used to it. It is not too large; the average rural parish in England is probably about 4,000 acres; it will not, therefore, be difficult for the members of the board of control that must be elected to become familiar with the conditions of life and the cultivation of the land of the parish. As a rule it will not be so small in population as to make it difficult to find men competent to act on the board of control: there are still indeed a remarkable number of competent men in the country-side who will come forward if they are certain that they will have power to do something effective.<sup>15</sup> Neither is the parish so small in area as to leave the board of control so little to do that they would be likely to interfere unduly in the detailed management of the land.

The Act of Parliament constituting the new organization needed to deal with the situation should then as a first step direct that Land Councils shall be elected for every parish by such of the inhabitants as are directly or indirectly engaged in agriculture to act as a board of control. The first business of a Land Council would be to take over management of the land of the parish, "the

parish estate," as we may call it. This is not nearly such a complicated matter, as people who do not understand the details of our land system suppose. The various landlords might have the option to sell right out, or they might, as suggested before, continue to retain sporting, residential and social rights, and whilst giving up control and financial responsibilities, draw for the present a fixed ground rent. There is, as has been seen, no practical or financial objection to either course.

The Land Council would then be substantially the owners of the parish estate and could hold subject to a total rent payable either to the present landlords or, either at once or ultimately, to the National Chamber of Agriculture. The principal result will be to get a new form of estate management, such as is found in the land-holding co-operative groups, which have been described before. The tenant farmers, smallholders and cottagers would thus become council tenants, whilst occupying owners might become life tenants: such tenants would be in very much the same position as the large number of State, council and co-operative land society tenants that are to be found scattered over England.

Critics who are familiar with the details of country life may well say that such a change will make no great difference to the general position. Possibly that may be true in many parishes: but the effect depends a great deal on how a policy of this sort is introduced. If the Land Councils are elected on democratic lines, the responsibility for the success of the parish estate will become the affair of the people of the parish engaged in its cultivation. There will then be certain immediate results; the labourers and working farmers on becoming, in some sense, their own landlords would obtain a new standing. Such a return to direct democratic control of a small

area like the parish is indeed one way of giving to members of our rural population that spirit of independence and simple personal dignity that was in the past a characteristic of the English workers on the land ; at the same time the smaller working farmers, the labourers and village craftsmen, would be impelled by their direct interest to secure the development of the land of their parish and to make certain that there are good conditions and employment for all. Such a form of control would also give a measure of general confidence throughout the parish : such confidence would make it possible to proceed without undue friction.

The Land Councils would be in a position to manage the parish estates very much as a landlord manages his own estate. Before any work was done there would have to be what is sometimes called a "Regional Survey," to see how the parish can be reorganized to best advantage. Adjustment of boundaries between farms, and also occasionally between parishes, would have to be considered ; sites found for cottages and for small holdings and allotments where needed, and also in many villages for a village hall and playground ; where there is a stream, a spot suitable for a swimming bath should be found. All tenancies of land and cottages would also have to be considered in their relation to the future development of the parish.

The Council would also have at once to consider and give assistance in the organization of marketing referred to later.

It is suggested that members of Parish Land Councils should be paid small fees, just as the Committees of Friendly Societies in the villages are, or at least used to be, paid.

Parish Land Councils cannot stand alone : but they



will form the basis of our national scheme. Before analysing the work of a parish council in further detail, it is proposed, therefore, to consider how the parishes can be bound up into a national organization; the connecting links should be as loose as possible, for local initiative and freedom is at the basis of progress. There should, it is suggested, be a County Federation of delegates elected from the Parish Land Councils, and over all should be a National Chamber of Agriculture of representatives of the County Federations.

(c).—THE COUNTY FEDERATION

The members of the County Federation must be paid just as members of Parliament are paid, for if there is no payment only the wealthy can attend, and the countryside will pass back into the sole control of the present ruling class with their special interests, traditions and habits of thought.

These Federations would take over in their respective counties the duties of the County Council and other official and semi-official committees and organizations that already deal with Agriculture, Agricultural Education and relative questions: but the work of providing small holdings might be ultimately transferred to the Parish Land Councils.

It is in the sphere of Scientific Education in Agriculture and in encouragement of production that the County Land Federations would have, it is suggested, their main work. On these and other subjects they would receive from the National Chamber of Agriculture suggestions based on the reports of specialists as to how the land can be put to best advantage, and specific directions as to what crops it is best in the national interest to encourage or discourage.

Their duties might well include the development of afforestation, the reclaiming of heath and other waste land, the important work of controlling main waterways, drainage and irrigation, the institution of model farms, the testing of soils, and the development of new crops such as, for example, sugar and flax.

The Federations should be primarily "encouragers" of agriculture, and provided that a high scale of production was maintained they should interfere with the actual farmers as little as possible. Their advice would certainly be received in a new spirit by the individual farmers, for with secure trade before them and an intelligent credit system behind, the men would be eager to improve their land. Whilst not interfering with cultivation as a general rule, the County Federation would have to see that the National Policy of Food Production was carried out in their county, and where, as might sometimes occur, there was indolence and incapacity amongst individual farmers, and the Parish Land Council did not act efficiently and promptly, they would have to be in a position to put pressure on the Land Councils to secure that land was not kept in an under-cultivated state.

**(d).—THE NATIONAL CHAMBER OF AGRICULTURE\***

The County Federations would appoint their paid representatives to form the National Chamber of Agriculture (an Agricultural Parliament), which would take over the duties of the present National Councils of Agriculture. This Chamber of Agriculture would be responsible to Parliament, and to Parliament alone, for seeing that the land of England was developed and cultivated to best advantage.

\* It might, of course, be found desirable to have separate Chambers for England, Scotland and Wales, but that is a matter of detail.

There are two specific questions on which such a Chamber should not have a right of decision : the first is the settlement of a national minimum wage ; the second the final voice in the settlement of the standard rate of prices for produce. But assuming that these two elements were fixed with relation to national policy, there seems no reason why the National Chamber of Agriculture should be interfered with in other directions.

The Minister of Agriculture should be the President of the Chamber, and the Ministry of Agriculture should be its civil service. The Minister of Agriculture, representing the nation, would then be in a position to declare to the Chamber the policy of the Government. He might well say at the opening meeting of the Chamber : " The Government is prepared to support you in maintaining a standard rate of prices, which is sufficient to make it a profitable matter for the farmers of England to double the present output of the land." This can probably be done concurrently with lowering prices to the consumer about fifteen per cent. ; the margin of waste in distribution is so great. " We also decree that the minimum rate of wages shall be fixed at a fair figure," say ultimately £2 10s. a week. " You can have eight years to reorganize, and we will give you every possible help, where legislation is necessary, to modify our land system, to institute a national system of afforestation, to reclaim waste land, to organize drainage and irrigation, to extend light railways and a national system of electric power and light, to spread agricultural education, to organize distribution, and to regulate the importation of produce so that there are no unneeded surpluses. But apart from that we do not propose to interfere. You will be expected to double the national output in the eight years we give you. You can go straight ahead."<sup>16</sup>

The Chamber once constituted, it would also be its function to consider the estimates of home production, to arrange for the purchase from abroad of what was necessary to make up the total amount of national requirements and for storing reserves of corn and other food.

Amongst its other duties would be the election of representatives on a committee to settle the standard prices of food, to organize and assist the working of the co-operative or other form of organization to replace middlemen, and to create a National Agricultural Bank. It would also, it is suggested, be one of its duties to supervise the return of people from the towns to the country-side. Some part of the people in the towns are country people, willing to return to an industry they understand: they should be brought back as soon as possible. Others would require special training, and this would have to be arranged for: there are now many boys and girls in the towns growing up without work or prospects, who might, even whilst living at home, be specially trained for agriculture.

There are various ways of organizing the Finance of such a Chamber which have been suggested by various writers. There would probably have to be an initial loan from the National Funds at the start. One way of dealing with this question is to base the whole finance of the national organization on the rent of the land, which would be received by the National Chamber of Agriculture. In that event the Land Council representing the parish might, whilst managing the Parish Estate, be perpetual tenants of the land, paying an economic rent to the Chamber of Agriculture that might be subject to revision at certain definite periods, say every ten years.<sup>17</sup>

The form of organization here suggested is perfectly

simple ; it follows the traditional division of our country-side into parishes and counties. It would be easily understood by country people. But the rebuilding of rural England does not depend on adopting a scheme in this exact form : this plan is perhaps the best that has as yet been suggested, but it is always possible that a better may be found.

The problems that the National Chamber of Agriculture would have to deal with will, of course, be discussed fully. There are not likely to be any new questions, for there is nothing new in our rural problems : all we have to do is to inquire how the various points that arise have been treated elsewhere and apply the principles that have been found to be successful. It is only an organization of practical men with a motive to solve the question, a personal knowledge of the matters involved, and a courage to act that is needed. There are plenty of such men in the country-side.

## CHAPTER XII

### *THE SCHEME IN DETAIL (continued)*

#### (a).—THE ORGANIZATION OF BUSINESS

**I**N a previous chapter a description has been given of the methods now employed by farmers, dealers and others in the distribution of our food supplies. It is clear that these methods are one of the great obstacles to progress. They accentuate the element of insecurity in the farmer's life, they are an indirect cause of the poverty of the labourer and the direct reason of the present high prices to the consumer.

We have now to see by what practical step we can free the trading side of agriculture from the grip of the present system, so that work may go smoothly on. The form of agricultural co-operation best suited for the farmer's buying business is well known; an extension of the present organization, preferably by amalgamation with the dealers and middlemen, would be of considerable value: it requires no special legislation. Ultimately such an organization can be amalgamated with that which is described in the following pages. Later perhaps the whole of both organizations can be brought under the control of the National Chamber of Agriculture.

The question of selling the produce of our farms needs much greater consideration than it has yet obtained: we have here first to secure that all the farmers' produce is taken at a fair average price and next to put an end

to the great waste in distribution. This can only be done through organization, built up in such a form that it will collect the produce of the farms and deliver it as promptly as possible to the consumer. It must also be built up in such a way as to be entirely freed from the motive that is now in the minds of our middlemen, the motive to raise prices charged to the consumer and to lower prices paid to the producer. It should be of the nature of a group of conduit pipes, leading as directly as possible from producer to consumer. The Post Office plays a similar part in the distribution of our letters.

Various forms of organization have been suggested to deal with this problem. A business trust like the milk trust, if non-profit making, the form of organization described as a "distributive guild" or as "chartered co-operation," a special Government department, have all been suggested: any one of these might be successful in serving as conduit pipes. All these proposals really reduce themselves in principle to two: a non-profit making trust or a Government department. A Government department might work with great efficiency; on the other hand it tends to shelve responsibility from the shoulders of the people themselves on to officials. A freer method with more opportunity for personal initiative is preferable. Probably the best form of organization would be a National Co-operative Trust. Such a National Co-operative Trust must, if it is to succeed, have complete control of distribution, since no organization can carry on a distributive business of this character effectively unless it has control, not only of our local and national markets, but also of imported goods. It is monopoly that creates success and makes great economies possible: this is common knowledge amongst all business men. Only when the directors of such an organization are freed from competition and

know exactly what and where the demand for any particular produce is to be found can they deal with specific goods promptly and effectively; otherwise there will always be an element of doubt as to where such goods should be sent. But with this complete control and the knowledge that goes with it, they will be able to put their finger on the right market at once. It will thus also be possible to secure that neither a serious glut nor a shortage arises in any market, or, to use a phrase adopted from economists, it will be possible "to maintain a continuous equalization of supply and demand," not only in local markets but in national markets, for the headquarters of the organization will be able to estimate at any time the demand of any particular market, and will also have knowledge of the supply. Foresight and a good telephone service are the essentials of success. Some people may be frightened at the size of such an organization. A big distributive business is as easy to carry on as a small one, perhaps easier.

Such a scheme would probably be more easily applied to England than to any other country in the world: in part because we are familiar with co-operative ideas, but in the main for the special reason that we have a demand within our boundaries that is in excess of our maximum production. The practical working of such a scheme will be greatly helped if corn mills, bacon factories, cheese and butter factories, factories for converting surplus potatoes into potato flour or commercial alcohol, for jam making and fruit preserving, and factories for utilizing by-products were extended and carried on by the National Co-operative Trust or its branches. Ultimately all present businesses of this character might be brought into the Trust. Surpluses in any particular article that could not be sold would then be more easily and promptly consigned to a



suitable centre to be turned into jam, alcohol, or other manufactured goods.

What, then, is the first step to be taken? It will be necessary to get a special Act of Parliament passed for the purpose of creating the form of organization decided on, just as an Act of Parliament was passed to found the Post Office. The country would then have to be divided up into convenient districts, grouped round the present rural market towns, and the control of the business of distribution in these districts would be put into the hands of district boards of directors appointed preferably by the cultivators. The first step would then be to confer with the dealers and middlemen, and prepare a scheme of organization. When the local directors of the branch of the Trust had come to terms with middlemen it should not be difficult to proceed with the organization: all facilities are, as a rule, on the spot. The district boards of directors would be subject to the advice and possibly to some extent to the decisions of a Central Board. Such Central Board might be appointed in the first instance by the Government, but subsequently by the National Chamber of Agriculture.

The following would, it is suggested, be a good form of organization:

A village office, or village market, according to the size and requirements of the parish, and a depot at the railway centre most suited for each district, is the first essential. This depot would no doubt in the first instance be at the present market town of the neighbourhood, the market centre of the district. All the district boards would be connected with a national organization, with perhaps county committees. The co-operative organizations of Denmark and of British Columbia could be used as a model. The headquarters of this organization must be an

information bureau, with, of course, all depots connected up by telephone : it would be essential that it had full knowledge of foreign imports, home production and of home demand and markets.

Assessors to consider quality and thus settle prices must be available at the various market centres as and when needed. They would take the place of the present auctioneers and might be the same men ; this was the course taken during the war in the meat trade. At the market centres there would have to be warehouses and also in some cases grading facilities and stock yards. As a rule the necessary buildings are already in existence in connection with the present rural markets, and for some years until business has developed, as it rapidly would as production increased, there would be very little new building needed.

What then would be the actual procedure ? The farmer who had anything to sell would have only one channel of sale : the market depot, represented by the village office. To get in touch with the depot he could communicate direct or else see a clerk at the village office : in small parishes the assistant overseer might perhaps take on this local work. Perhaps there would be an immediate local demand in the village ; otherwise the clerk would settle on the telephone with the depot at the market centre as to how and when the produce should be sent to that centre. Probably our present market days would be continued ; they are an almost essential part of rural life. The stock or produce could be delivered by the farmer, or more probably, when the organization was perfected, would be collected. This business of collecting would be reduced to a science. There could be with advantage in many districts a daily organized collection of milk and eggs. Great savings would be

secured by a general system of collection. The stock or other produce would then be dealt with at the depot: if it were bullocks for the butcher they would be weighed and then priced by the local assessor, having regard to the standard price. That being done, the farmer would be credited with the amount and the bullocks sent to wherever they were wanted. If the consignment consisted of apples, the various sizes would be sieved out on a grading machine; they would be valued in relation to the standard price and sent straight on to the town market where there was a demand: if there were no immediate demand the apples could be stored. If the produce was strawberries, they would be priced, and either sent to the suitable market or to a jam factory. If wheat it would go to the miller who wanted it. There is always, with very rare exceptions, a practical way of dealing with produce. The dealing with stock for fattening which goes on now on a large scale would also have to be carefully organized. The market depots could, if necessary, be advised day by day from headquarters as to the demands of the town markets. The whole procedure is far simpler than the present, and would go forward much more easily than now, and almost as mechanically as it does in Denmark. Transactions that take endless time and may involve many dealers and salesmen could go through automatically in a few hours or even minutes.

To perfect the system and secure the total savings of the present waste, it is suggested as an ultimate solution that the retail distribution of food might be put into the hands of the present Co-operative Consumers' Distributing Societies, the co-operative shops of the towns. There would then be a complete organization to deal with the food supplies from the farmer to consumer. This would

result in further large savings. But it could hardly be done unless the Government gave power to the present Co-operative Societies by special Act of Parliament or charter to extend their organization throughout England and absorb some part of the present retailers. This is a policy for the future. Meanwhile town markets, some, at least, of which are carried on in a thoroughly unsatisfactory way, might with advantage either be vested in the local authorities or controlled by a Government department: concurrently many new town markets could be started at convenient centres. All consignments not sold for consumption directly in the village or at the local market centre would be then passed on to the town markets so controlled, or directly consigned to retail shops, or else sold to millers or brewers or other large buyers, or forwarded to factories.

The organization suggested is only given in outline. This is not because details have not been thought out, but rather because there are so many different ways of working out these details, based on the different experiences of different countries, that it is altogether premature to pin ourselves down to particular details: investigation and experience will show the best way.

The first thing is to plan out a complete organization and then adopt it by degrees, taking one branch of trade at a time. This system must be built up either on the co-operative principle here suggested or else by national organization with official management, or more probably in part by one system and in part by the other. The object of organization is to get farmers' produce to a town market, or to the town retailer, or to the mill, factory, or workshop that is going to deal with it, in the simplest and most direct way, and to

regulate the supply so that it meets the demand. An organization of this kind is already to some extent forcibly effected by the Milk Trust and by the Board of Control for hops, and there are, of course, already in existence some co-operative organizations, but with these exceptions, as has been seen already, distribution and the regulation of supply and demand is carried out in England in a very rough and ready and extraordinarily expensive way; it has now, if we are to save the situation, to be done in the best manner possible.

Standard prices when adopted, it is suggested, should be fixed at the rural market centres, and in order that there be a flat rate in the town markets, all transport expenses might well be pooled. Consignments should be as large as possible and should be sent at a special rate.

So far the question of internal markets only has been dealt with. There would be a corresponding organization for regulating importation and limiting it to what could not be produced at home. Any scheme that is prepared for this purpose will have to be put into operation in consultation with the present dealers in foreign produce, and will have to proceed by degrees, in conjunction with the reconstruction of internal trade. The Ministry of Agriculture being responsible, as it is now, for the estimate of the national output, it could not be difficult to provide the information required of the nation's needs and thus of the extent of the demand. Then the National Co-operative Trust, or some specially appointed Board, would be responsible either for purchasing or regulating the purchase of what was actually necessary to make up the annual deficit in each particular class of produce.

There would be difficulties, but they could be overcome. The Swiss Government, it appears, buys its wheat from

abroad; the Brazilian Government, the coffee of its home producers. During the war. the British Government bought produce in this way. We can learn from successes and failures how it can be done best. When once the system was started the buying authority could place their foreign orders well in advance. If it is wished to encourage trade with the Colonies, it would not be difficult to give preference to them when buying food from abroad. There would, of course, have to be storage facilities for wheat; it will probably be found that there are at the present time a considerable supply of such facilities that might be utilized both in exporting countries abroad and in this country. This system need not, of course, interfere with the trade in produce imported for immediate re-export, nor will it affect prices paid to the foreign producer. The general result will be to regulate rather than to limit imports, but there will, of course, be a gradual limitation of food imports as production increases. This will be accompanied, as has been pointed out before, by an increase of home trade and also, no doubt, by a great increase in importation of wood for building; for this we shall develop a large home market which we cannot supply ourselves.

The necessary arrangements for fixing a standard rate of prices have also to be considered further: it is a matter of great importance, for, as has been emphasized before, on the national price-list the future of agriculture would depend. The prices would, of course, have to be national, for it would be quite out of the question to have internal competition between villages. The settlement of the list might be placed in the hands of a Joint Committee, appointed by the National Chamber of Agriculture as soon as such be formed, representing the producer, and by the Distributive Co-operative Societies, or other bodies,

representing the consumer, or possibly, until formation of this Committee, by a specially appointed Government committee. The interests of producer and consumer, when they are both workers, are, as has been pointed out, at the bottom identical, and are in harmony with the interests of the State, whose aim it is to have the whole population well employed. This is most likely to be secured when prices are fixed at a reasonable rate and development of agriculture and concurrently of home trade can proceed naturally. As has been already pointed out, it is probable that working people of all classes would be readily got to understand this. There ought to be no great difficulty in the fixing of prices if we free the control of agriculture and, later perhaps, the other essential industries from the influence of Parliament and party politics. The principles by which the controlling committee would be governed in fixing prices are illustrated in the chapter on standard prices.

The price-list of such articles as it was decided should be sold at a standard rate would have to be issued officially throughout the country. There would, for the first few years at any rate, be discussion on details, but they could be settled locally, with reference to the local assessor.

There will be critics who will consider that the whole scheme will break down when we produce more food than we consume. A happy day may, of course, arrive when food for all and to spare is produced in England. This is indeed possible, but such an emergency will not arise in this generation. Even before that time comes it may be, of course, occasionally necessary to discourage the production of some fruit, for example, for which the demand may be less than the supply, and to encourage the cultivation of some other fruit or vegetable. Such

discouragement and encouragement are now constantly taking place in a haphazard way with the variation of market prices. The Ministry of Agriculture may, as has been suggested before, have to issue occasional advice mainly on the subject of fruit and vegetables, and it will be for the County Federations and Parish Land Councils to secure that this advice is taken. There is no inherent difficulty.

A complete scheme has been outlined for the regulation of markets: it may thus be considered and criticized more easily. But it need not be supposed that it will be brought into force in such a way. It would be much more likely that we should take specific articles first: it would not be at all difficult to deal at once with the trade in pork and bacon and the potato trade, in all of which prices are always varying to the great damage of both individual farmers and many poor people; the milk, wheat, and meat, fruit, vegetable and egg trades might be dealt with later. Some people will see difficulties in any and every proposal that is submitted. They can rest assured that what is suggested is based on practical experience of other countries. Where there are new points, and they are small, they can be dealt with as they arise. It is far easier to do the things that are here described than to convince people that they can be done.

A somewhat similar scheme of distribution, based, like these proposals, on the actual methods put in practice by other countries, has been worked out by Mr. Herbert F. Watson, a Fellow of the Surveyors' Institution: it is given in a paper read at a meeting of the Yorkshire Branch of the Institute on October 20th, 1923. His paper concludes with the following sentences:

"I do not suggest that you could ever get from the



agricultural community a vote in favour of my suggestions, seeing that the community is composed of people having at present various and diametrically opposed interests, due entirely to the treatment that agriculture has received in the past. But I maintain that these suggestions should be definitely insisted upon by the State in the interests and for the safety of the country as a whole, and I claim that if this course of action is taken, not only will it ensure the safety of the country from a food point of view in time of war, but it will also ensure the prosperity of agriculture and the more economical feeding of the whole community in time of peace."

This is a sound conclusion. It is a matter for a Government. There can, indeed, be no doubt that if any Government wishes to effect savings estimated at considerably over £250,000,000 a year, utilize these savings in raising wages and farmers' profits, reducing prices to consumers, and improving rural life, they can do so by organization on the lines suggested, in conjunction with the provision of credit, a subject dealt with next. But it cannot be said too often that the present dealers and other middlemen will have to be brought into the organization.

(b).—THE ORGANIZATION OF FINANCE

Agriculture will require financial support for three main purposes. First is the clearing off of the farmers' outstanding liabilities to dealers, merchants, shopkeepers and others, so that the farmer may become a free man: with that goes the providing of credit in the future for the farmers' and smallholders' normal business. The second, the providing of capital for cottage building. The third for the general business of the National Chamber of Agriculture, the Parish Land Councils and County Federa-

tions and the National Co-operative Trust ; this includes the erection of such new farm buildings as may be required and new roads, light railways, electric supply, drainage, irrigation and other developments.

The English banking system is not well adapted to undertake this work, for the object of English banks—a perfectly reasonable one under present conditions—is the making of profits for shareholders ; that motive never can be reconciled with the economic interest of the nation, the farmer and the consumer.

It is doubtful if it be possible to change this motive for a better one, and, if that be the case, the simplest procedure is to do as is done in other countries and, to some small extent, in the credit banks of England ; that is, to create a special bank to be organized on equally sound but somewhat different business principles.

We have, therefore, to adhere to our general policy of taking agriculture out of the present industrial system and to institute, in association with our National Chamber of Agriculture, a National Bank of Agriculture to be carried on without profit as a public service. This is the simplest way of making money available whenever it is needed for development, or, as has been said elsewhere, making money the servant of wealth production.

Such a bank would have, no doubt, its headquarters in London, and its branches would spread over England to all the market centres. The bank should have a Government guarantee behind it, in order to give confidence to the people, and would obtain Treasury Notes from the Government for current cash payments, as does any other bank. But as it would not be a speculative bank there would be very slight risks involved in its ordinary business.

Its duties and methods will be stated in the simplest form.

In the first place it should be made the rule that all amounts that become due to a farmer from the depot on the purchase of his produce by the Trust should be credited to the account of the farmer at the appropriate branch of the bank. The farmer could keep his own account at this branch of the Agricultural Bank if he thought fit, or could draw out any balance due to him on sale of crops and transfer to his private bank.

The Bank should also be prepared to advance money on ordinary business terms to farmers for purchase of manures, feeding stuffs, agricultural machinery, seed, and so forth, either directly or through credit societies, on what would be substantially the security of the future payment for his crops.

Provision of agricultural machinery, manures, food-stuffs and seeds through co-operative organizations such as are already established in some parts of the country would obviously become easier to work if the farmer has a bank behind him.

In its initial stages the bank will have a further class of business to deal with. It has been shown in a previous chapter how farmers are involved in all sorts of liabilities to all sorts of people, and are thus in a net from which there is no way of escape under the present system. If agriculture is to be developed, the first step to be taken on the financial side is to clear up this confusion. This can best be done by the National Agricultural Bank definitely undertaking to finance farmers, providing overdrafts specifically to pay off current liabilities. In this relation the institution of standard prices is of enormous importance: it will secure the farmer's business position to a very considerable extent. He must strengthen his position by every possible form of insurance against weather, disease and death of his stock. If, at the same

time, a rule is enforced that the farmer sells all his produce through the market depots and the sale price is credited to him at his account at the Agricultural Bank, the bank will then be able to finance him until his position is re-established. The prices paid for agricultural produce are high, though under the present system the farmer does not get them, and with reorganization and standard prices most farmers ought, in a very few years, to be in a solid financial position.

There are various detailed suggestions for helping to put farmers' finance on a sound basis. Credit societies might be formed in every parish, the farmers in need of funds might then come direct to such societies, and the loans might be negotiated through them. It is possible that such a scheme would not work well. It might be better if the bank conducted its business in the ordinary way, though it could be advised by special finance committees appointed by the farmers themselves. This clearing up of the farmer's financial position is not going to be a very easy business, but it has to be done. Special advances of, on an average, £2 an acre, would probably deal with the general situation, though it is possible that many fruit and vegetable growers would want more than this. There may be some bank losses, but compared to the issues involved they could not be very large. Most experiments in credit banking in all parts of the world seem to have been carried through without loss,<sup>9</sup> even where prices have not been fixed. There is no reason to believe that British farmers are less honest than the farmers of other nations, and the probability is that there will be few, if any, losses. But even a loss of five per cent. on the total amount of the loans would be a very small sum to pay for putting agricultural finance on a sound basis. It could be recouped out of the profits of current business.

The next business for the bank to undertake is, it is suggested, the financing of cottage building. For this purpose it has been suggested that we should employ a system of finance which has been employed in other countries and by private banks, and which has already been explained. Some authorities, it will be remembered, consider that a public authority such as a Parish Land Council or a Public Utility Society working without profit, backed by the State, can build cottages with what is called circulatory credit without any question of interest or inflation or deflation of currency arising. If, then, the Treasury will provide, either without interest or at the lowest possible rate of interest, the credit necessary, the Parish Land Council will be able to go direct to the bank for money for cottage building. They will draw their cheques in the ordinary way and the cheques will be cashed in Treasury Notes, or, if the system seems preferable, in special Agricultural Bank Notes, which will circulate in the country. When the cottages are built, all their rents will be paid into the proper account at the Bank.

The provisions for dealing with farmers' present financial difficulties and with cottage building would be the two special features of a National Agricultural Bank. The National Agricultural Bank will also act in the ordinary way of business as banker for the National Chamber of Agriculture, the local organizations and the Co-operative Trust. Apart from the preliminary business of clearing up the farmers' present financial difficulties, the bank will take substantially no risks and will make no profits. Some people will imagine that the fact that a bank makes no profits will tend to diminish its efficiency. Banks have, with rare exceptions, long since ceased to be run by individual financiers, but by bank managers, and bank

managers will have substantially the same interests to manage the bank efficiently as they have at present.

(c).—THE WORK OF THE PARISH LAND COUNCIL

If the details already explained are clearly understood it becomes easy to see the possibilities before the Parish Land Council: these are now to be further considered.

When the Parish Land Council has secured control of the Parish Estate and the community has become in some sense its own landlord, it will have to see that the estate is managed in the interest of the nation as well as the village. This, when our new business and financial system is established, should not be a very difficult matter. For when, by the adoption of fixed prices and the provision of credit, finance has been put back to its proper place as the servant of wealth, we shall find that so far as production is concerned the position is changed. Lord Ernle's famous advice to farmers<sup>20</sup> to grow less food will cease to have any meaning, for the interests of the farmer, the village community and the nation will be the same: to increase production and so the wealth of all.

What share the village community as a whole should take in the wealth so produced is a matter that will require careful consideration: it is suggested that as the produce passes through the station depot, a small levy of, say,  $2\frac{1}{2}$  per cent. over and above expenses on the standard or other sale price should be made for the benefit of the village community. This would perhaps give a parish of average size a commencing income of about £500 a year, which might in some parishes increase as production increased to perhaps £1,000 a year. This money should be made available for such public purposes as building village halls, providing swimming baths and improving rural life: some part might also go to help to re-establish

in the village men who have been, or are now being, obliged to leave the country for the towns, and who may wish to return, whilst some part might be made available to assist in relief of misfortune.

Whether this or some other method of raising funds is accepted, we shall be able to create a community with funds available eager to develop its estate to the best advantage and produce the maximum amount of food.

It will be the duty of the Land Council, when it comes to dealing with the land, to consider how the conclusions arrived at by the regional survey referred to before can be carried out; this would be a gradual process. The adjustment of farm boundaries that would become possible with joint control should result in considerable savings. The position of the present tenants of the land will have to be considered in detail. The Council would not wish to disturb them so long as they were prepared to fall in with the new schemes. The question of small holdings and allotments would come up in many parishes. Most people in a village want some land, even if it be only a small plot. They are probably right: if the worst comes to the worst, it serves to keep them out of poverty. There will be in some parts of England, a demand by groups of men for farms to be managed on a co-operative system; in other villages individuals will want small farms or allotments. Most of such needs should be met by friendly negotiations with the larger farmers in conjunction with readjustment of boundaries: it would be a very exceptional parish in which the immediate demands could not be satisfied by securing perhaps one-tenth of the parish area, but the Council must be given powers of compulsory acquisition in case enough cannot be secured by voluntary action.

In some cases, possibly, the Parish Land Council would

take large farms and manage them themselves: such experiments should be encouraged, but probably they would be rare. In most parishes the present system of cultivation by tenants would no doubt remain for a generation at any rate, but the tenants, great and small, should, it is suggested, all hold on two definite conditions: the first, that they cultivate their land well, a very common condition, though not so simply expressed, and the second that they sell whatever produce they had to sell through the market depot. There they would always obtain the standard price, when prices were standardized, and until this were done the market price. This second condition is substantially a new one; it is a reasonable and straightforward way of securing that cultivators can obtain credit from the bank and of preventing any particular farmer under-selling his fellows in opposition to the general interest: the need for some such condition is based on wide experience.

Cottage building is, as has been explained, a good example of another kind of work that the Parish Land Council would be able to undertake. The land could easily be available, and all that would be necessary would be to ascertain the demand, to prepare a scheme and get it, it is suggested, confirmed by the County Federation. The Parish Land Council would then be able to draw on the local branch of the National Agricultural Bank for the necessary credit. There would be no reason for delay. In order to secure sound and economic building it might be well if the work were entrusted to guilds or groups of workmen especially constituted for the purpose.

We thus see the character of the work that a Parish Land Council would have to deal with. There would, of course, be many other questions. The use of parks, the



development of afforestation, the management of experimental farms or plots of land, the provision of agricultural machinery for the Council tenants, the erection of farm buildings, and also perhaps of such business facilities as a village mill, and all the many things that go to aid the development of the land. In all these matters the Councils would have substantially a free hand to manage their own estates, subject to a condition imposed by the County Federation that they were cultivated to best advantage. The County Federation would, through their educational department, supply them with the best possible advice, and would encourage development: in other respects their fate would be in their own hand. Experiment, the root of ordered progress, would thus become possible.

.      CHAPTER XIII  
*SCIENCE AND PRODUCTION*

**H**OW can we put our rural land to its best use is an interesting question to which no satisfactory reply has yet been given. Many people would say in reply to such a question that we ought to make the land as productive as possible—to direct our policy to increase the output as rapidly as we can. But that is only evading the question. For production is not the only thing we have to aim at. It would be nearer the truth to say that we want to employ the land and what lies under it for the purpose of the production of true wealth; that is to say, to so use it that it results in the creation of a sufficient amount of food, material for clothing, firing and housing, and of happiness for the greatest possible number of the individual members of the nation. By thinking on these lines we shall, perhaps, ultimately arrive at a reply to our question.

Certain points come out quite clearly directly we begin to consider the essential facts. The increase of machinery, the power that goes with it, and of scientific knowledge, have, taken together, resulted in an enormous increase of productive capacity in the individual and to a less extent in the land; but this appears to have been accompanied by a reduction of the landworkers' share of the wealth produced by his labour. It is not altogether safe to measure results in money, for money in no sense represents values, but it is a way of illustrating the position. The

output of the average year's work of the agricultural worker is now, it appears, sold to the actual consumer for something over £500<sup>1</sup>: deducting from this figure a liberal allowance for rent; rates and taxes, for the farmer's profits and expenses (other than the farmer's labour bill), and a reasonable allowance for the costs of distribution, there remains a sum of between £200 and £250. This is the true or economic value of the average labourer's year's work. Out of this he appears to get between £80 and £120; he is therefore, it is suggested, producing from twice to three times the amount of wealth that he and his family consume. To illustrate the same point in another way. A mediæval peasant worked from five to six days a week, on an average perhaps five and a half days; he would under ordinary conditions of life have divided his time as follows: he would give two days a week to the service of the lord of the manor and work three and a half days for himself and his family. The agricultural labourer to-day, out of his week of five and a half days, works about two days for himself and his family and three and a half days for others. The claim on the output of this three and a half days' work is of the nature of a private tax on labour; the amount, broadly speaking, is wasted: it goes in unnecessary expenditure in distribution, and in supporting people whose daily work is of no national economic value.

Thus it is clear that the increase of productive power of the worker on the land and of the land itself has so far resulted in a relative increase of poverty amongst the actual workers and a large increase of wealth amongst the non-producers. These two results are both serious social evils. It is perhaps difficult to realize that the increase of wealth amongst non-producers does harm; nevertheless the undue wealth of non-producers, whether

traders or financiers, is almost, and perhaps quite, as great a social evil as the poverty of the productive worker; for it tempts people away from productive work and so enlarges a non-producing class, which history tells us tends to grow until it ultimately destroys civilization.

The effect of these two features of social life are being widely discussed. Two schools of thought have arisen, neither of whom have, perhaps, seen quite clearly the actual facts, in their relation to agriculture. A considerable number of authorities are in favour of unregulated increase of production by general development of the use of machinery and by introducing into agriculture large, or what is sometimes called "factory farms," with a reduction of employment per acre. On the other side is a school of thinkers who are definitely opposing the increase of machinery and looking with suspicion on the "factory farms": they would say, probably with truth, that the Luddites who early in the last century destroyed machinery and the agricultural labourers who went about in 1830 breaking up the threshing machines, had grasped an important elementary economic fact; these men saw that the increase of machinery and production, unless so regulated that it created more true wealth for the creative workers, led to unemployment and to every sort of dislocation of social life: thus came undoubtedly poverty and misery.

A solution of this side of our social problem lies, it is suggested, in creating an economic system in which there is a rough balance, in which everyone "carries his weight," or at least produces in real wealth, or is engaged in useful services representing wealth, a little but not much more than he and his family and other dependents consume; this solution may involve the reduction of the use of machinery or the systematic coupling of the increase of

production with a reduction of the hours of labour ; but there is also a possibility, to which reference has been made above, of allocating the surpluses of wealth for such communal purposes as erecting village halls and other public buildings, developing education and social life.

The reforms that have been advocated in this book are directed to avoiding the evils of both over- and under-production ; certainly one advantage of democratic control of an industry is that you put the power of control into the hands of people who can see both sides of this question of production and employment.

When we have secured these reforms we shall, it is hoped, have gone some way to solve the economic problem of the equitable division of wealth and work. But the final solution will certainly not come yet. The first step is to realize clearly that our immediate economic problem is threefold : it is to produce more wealth, to increase the share of the actual creative worker—in agriculture the working farmer and labourer, and at the same time to find employment for all. This last point is of great importance : it is perhaps a slight exaggeration to say that employment itself is a form of true wealth ; but in any case it is true that unemployment is the reverse of wealth, a form of poverty ; for it not only creates material poverty but it involves the decay of the individual.

We have, therefore, to realize that the increase of the productivity of the land is not our only object, and that every special proposal for the increase of production has to be considered in the light of its general effect on our social life. Does it improve the economic position of the actual worker ? Does it result in increased employment ? Does it benefit the nation as a whole ?

With the reservations so suggested, the question of increased production can be considered.

Agriculture is the most varied and also the most complicated of all industries, but it is not the purpose of this chapter to enter into the discussion of these variations and complications. They are well known amongst country people, whilst town people are liable to be confused by the details, which are quite unnecessary for the immediate purpose of considering a policy.

There are, however, a few basic facts that it is important to realize. Up to a certain point, it is true to say that production is subject to the law of increasing returns; that is, we can get from the same land without undue cost an ever increasing output. This is true of corn crops, of meat and milk and eggs, of fruit and vegetables. On the other hand, it is no doubt broadly true that at last we reach a maximum point, and any further increase is only possible at very high relative cost. Then what is called the law of diminishing returns comes into operation. When we reach that point, we may have to consider if the need for providing employment justifies us in going further in production. There seems some reason to suppose that when we have doubled the output of the land of Britain we shall be getting near the maximum point, but it is also perhaps true that when we have gone so far, our scientists will have found further means of increasing the produce of the land without any overwhelming increase in the expense. In any case, it is clear that the problem of our generation is to increase production, and leave the future to itself.

What then should be done, if we wish to secure that our soil is put to its best use? We have to cultivate the land to best advantage; that is we have to drain or irrigate it and then break it up in the best way. There is still much to learn as regards drainage and irrigation and also even as to the best way of breaking up the

surface. Is ploughing really always the best method, and, if so, what form of plough is most suitable for each class of land ; if not suitable, is rotatory cultivation or some other method of dealing with the surface of land likely to replace the plough ? The land once prepared, we have, according to the crop it is proposed to grow, to refrain from manuring, or else use the fertilizer—whether artificial or farm-yard manure—best adapted to the particular purpose. In all these matters the scientist and experience can help.

We have also to use the best seed, as, for example, the wheat suited to make the best bread. We are told that there is already a wheat suited for production in England with the characteristics of the finest imported wheat, and that in a few years there will be ample seed available. In such matters again the specialists can advise. When we come to stock, whether cattle, pigs, fowls, or any other animal, we have a similar problem. We have to decide on the breeds and strains that are best suited for the purpose, whether it be for the production of meat, or milk, or eggs. We can, for example, by good breeding increase the milk-producing capacity of cows and the egg-producing capacity of hens.

There is also the general question of the most productive use of the land, whether it should be arable or grass, or employed for fruit or vegetables. In the case of arable land it is necessary to decide on the most effective rotations. We know broadly that arable land is more productive in most directions than grass land, and there seems no doubt that we can, to advantage, break up a great deal of our grass land and cultivate it as arable. Arable land has the other great advantage that it employs far more men per acre. But the settlement of the actual fields to be ploughed up is one for agriculturists acting

with the advice of scientists. Probably we can increase with advantage our arable land from  $14\frac{1}{2}$  million acres to something between 20 and 24 million acres: thus we ought to increase our output of corn, meat and milk. We ought, certainly, to double the output of wheat and meat and milk, especially milk, for the increase in the consumption of fresh milk is a great national need if the health of the nation is to be maintained. We ought also to increase the number of our pigs and fowls until we have no longer to import any pork or bacon or eggs; and the same is true to a large extent of apples, plums and small fruit, and of vegetables.

All this development means more employment and, at the same time, an increase in national wealth. It will be from every point of view of economic advantage to the nation.

But this is not the only problem. We have also to bring into cultivation our heaths and waste lands, and to plant more woodlands. Authorities tell us that this will be profitable, and this reclamation and increase of woodlands<sup>18</sup> will again also help to solve our unemployment problem.

There are other aspects of the question. The growth of sugar-beet, flax and other new crops have to be considered. There is also much more to learn in relation to preventing the diseases to which crops and stock are liable, and of the value of artificial manures, sewage, and the use of unconsumable products; for example, straw. It appears that the large surpluses of straw that may accompany the increase of arable land can be quickly and cheaply converted by a new scientific process into an admirable fertilizer with all the value of ordinary farm-yard manure.

There are great possibilities in all these directions, and



in this relation we have to realize that scientific knowledge in relation to agriculture is in its infancy and has to be developed. When the motive of the farmer is changed, and the provision of the best produce becomes his driving impulse, he will be anxious to take advantage of all the knowledge already obtained and the new knowledge that will come to us as science develops in the future.

We have admirable arrangements for agricultural education in our country in the agricultural colleges and schools, and in the lectures and classes already organized in our villages, but the weak points of the present system are that we have not sufficient facilities for research and our organization for the distribution of knowledge is not complete. We have to increase facilities for research and develop the organization for the spread of knowledge so that it covers the whole country: at present we fail to bring the needed information within easy reach of every cultivator. A large number of our farmers and smallholders are untouched by it. They are thus suffering from ignorance.

This is a large and important problem; it is indeed necessary to make information so easy of access that not only will our present farmers be fully informed, but that people of energy in the towns will be tempted to the country by the certainty that every possible advice and help will be available for them if they come into the country and take up reclaimed or other land. It will be one of the duties of the National Chamber of Agriculture to extend research work, and the County Federations will then have to undertake this duty of distributing knowledge. It is suggested that the work of our agricultural colleges and schools should be extended and supplemented by establishing in every one of the

educational districts that it is desirable to form a model farm, supervised by an agricultural adviser who would be a specialist. Such a farm should be run, not to make experiments, but to demonstrate the successes of the new agriculture and also, so far as possible, as a business proposition. The controller of the farm should be responsible for his district and the recognized channel of information from the research centres. He would have behind him the agricultural colleges and the result of all the latest experiments, and before him the farmers and smallholders of his district, anxious for information, provided it were put into a simple and practical form. He would be a conduit-pipe of knowledge.

Advisers or "encouragers" of agriculture are no new idea; they abound in other countries and are, or were before the war, employed throughout Italy as a necessary part of their agricultural system; and there are, of course, already many such men at work in England. It is extension we want: many more of such men would be invaluable in England, provided they are of the right type. They should not be too professional, but practical farmers with the best training that the country can supply. They can be obtained if we are prepared to pay good salaries. Such an adviser should be quite definitely responsible for the agricultural education and development of his district. It would then naturally be his interest to keep himself and his district up to date in all matters relating to cultivation, for his personal reputation would depend on his success, and he would thereby obtain both recognition and promotion. He would doubtless find that much of his work would consist of giving information by word of mouth, and in this way he could give advice freely, to all who applied to him, on the adoption of improved methods and generally on how to make

the best of the land. The farmers would no doubt visit his model farm just as they go nowadays in hundreds and thousands to Rothamsted and other experimental centres: they would see and discuss results. The adviser would visit their farms in return. He would thus be constantly engaged in studying the needs of the district and should not miss opportunities of suggesting an improvement.

In all this work the agricultural adviser might work in connection with the Parish Land Councils or Farm Institutes, if such were formed, or other similar organizations. His district should not be too large, perhaps half a dozen parishes. It would also be well if in every village there were, at least, one model holding, the cultivator of which might be recognized as the centre of information for the village. The model farm in the neighbourhood and the model holding in the parish would be invaluable in bringing before the eyes of the cultivators the result of the latest scientific knowledge. Our country people would, no doubt, stroll round on Sundays to the model holding, look at the fields and discuss the results. These appeals to the eye would supplement the work of the lectures and classes now held in many villages. There might also with advantage be more meetings for discussion amongst farmers and other cultivators on all the detailed questions that agriculture involves.

The general object should be by every possible means to disseminate agricultural knowledge and develop local productivity and individual capacity: all this work would be much more easy when we had by the reforming of our business system removed all fear of competition between the cultivators themselves and introduced the co-operative spirit.

A friendly rivalry between parishes would, however, doubtless arise and make agricultural shows of special interest and value.

The funds required for this work could be provided out of the savings of distribution, and would, undoubtedly, be recouped many times over out of the gains in cultivation.

By increasing facilities for research, supplemented by a system of disseminating knowledge, we should succeed in bringing agricultural education to the whole of our workers.

The undoubted immediate result would be the great increases in output and employment, the essential objects of our National Policy of Food Production.



**PART III**  
***SOCIAL RECONSTRUCTION***



## PART III. SOCIAL RECONSTRUCTION

### CHAPTER XIV

#### *THE VILLAGE REFORMED*

**T**HE reconstruction of the economic and financial sides of rural life, and the provision of the funds needed for social development have now been dealt with. But a wider and a freer social life has also to be attained. We want ultimately to change the centre of national interest from the town to the country : to do this we must aim at making rural life as vigorous and attractive as town life.

Whatever it may be for the upper class, the country-side is not nearly so dull for working people as it was in Victorian days. There are new elements everywhere ; the Women's Institutes, the Village Clubs Association and the Workers' Education Association have all done much to promote a new social life. There has been for some twenty years a widespread movement promoted by the Village Drama Society and other associations for the revival of acting, singing and dancing, things which are natural to country people. Much more football and cricket and other games go on now in the country than did formerly ; cinema shows are in the country towns and wireless equipment in many villages.

It is also an undoubted fact that there is at the present time, from one end of England to another, an element, not as yet very strong, of new inspiration and enthusiasm to be found here and there amongst all classes, accompanied by a spirit of determination to create better conditions.



It is important to take advantage of this fresh spirit at once to do whatever is possible to strengthen the new social life that is growing up amongst the working people of the country-side.

In earlier days a great deal of such work would devolve on the Churches. But in these days the Church has in many places lost touch with the people as a whole, and although there is a definite new religious spirit there seems often more inspiration outside than in the Church. There are certainly other people who are full of inspiration; all over the country-side there are men and women inspired by the Labour movement, giving not only time and energy but money that they can only spare by stinting themselves to the bare necessities of life, to preaching a new gospel. Whether we agree with this gospel or not is quite immaterial; it is the spirit that is wonderful. It is without price.

There is also a special class of people who are singularly suited to help in this work of reinspiring country life—the cultivated craftsmen and women who are a noticeable feature of England to-day. They are hand-workers, principally workers in various metals, jewellers, wood-workers, bookbinders or printers, weavers, or workers in stone or plaster. Some have workshops, employing a few highly-skilled men and women; others work alone; others drift into trade workshops or work for trade firms; some become school teachers, others designers. Many of these people are already established in the country—in groups or as individuals—and it is most desirable that more should be. For, with their artists' sympathies and imaginations qualified and socialized by daily contact with the problems of life and labour in their own workshops, they help to spread knowledge, poetry, art and imagination, and thus strengthen in the country-side the element

that is wanted. They, like our country people, are a people apart; but their essential spirit is the same as the spirit of the country-side. Any movement for the rebuilding of rural England will do well to obtain the support of the artist-craftsmen, and should in its turn give them help in building up the business side of their crafts. The craftsman is one of the sources from which the new life should come. With his introduction into the country villages comes a reinspiration of all kinds of labour, a revival in the village blacksmith, harness maker, carpenter and wheelwright of the old ideals of his trade.

Concurrently with the return of the craftsmen there will come, it is hoped, other artists—the painters, singers and musicians—they all have a message to the country-side, to help especially in the revival of music, dancing and acting. We also want in the villages architects of the more imaginative and less pretentious types, who might well be engaged in the building of cottages and public buildings.

We also need to encourage the revival of industries that definitely belong to the country, such as weaving, spinning and embroidery, pottery, leather and woodwork, hurdle, mat and basket making, the making of brooms, of sacks, of straw ropes and matting. With the growth of forestry should come back much of the old woodworking industries that would give regular employment in the winter to workers on the land. Forestry and agriculture go naturally together. The former provides much winter work and so supplements the purely agricultural labour on the land.

There are other aspects to this question of industrial revival. There should be not only a general development of sugar making, jam making and other factories, but there are many branches of trade that can be carried on effectively in the country, and when we have electric power

distributed throughout England there will be still more that can come. For example the whole of the jewellery trade now concentrated in such towns as Birmingham could be carried on perfectly well in the country.

The mixture of the two classes—the land worker and the artisan—would have an admirable effect on country life. Moreover, it would make it possible for such of the young people of the country as were not attached to the land to remain in the country-side and work in the new workshops.

It is of great importance that we should appeal to the eye and imagination by providing everywhere a definite centre for this fresh life. Each parish must have its central public buildings, including its village hall. It is, indeed, essential to have in *every* village a public room free to everyone, without question, for meetings and debates, for political discussions, for reading and social life. It ought to have its library and stage and be suited for music. Round these centres must be reorganized our social life; financed, not by money provided by the squire or the local plutocracy, but ultimately by funds provided from communal resources.

With this development of the village, helped by new transport facilities, will go the growth of our market and country towns and the building of garden cities at market centres and elsewhere.

It is by such a combination of influences that we shall re-create our rural life. It is only our industrial and financial system that blocks the way, and it has been shown already how these obstacles can be removed.

## CHAPTER XV

### *THE EDUCATION OF OUR PEOPLE*

**A** VIGOROUS social and economic development depends on education, and here advance is blocked by the ideas of groups that have controlled national life.

The opposition to extending education in this country comes from many different sources. A certain section of the ruling class believe that we cannot maintain the present form of industrial life based on a large subservient working-class if education spreads; of these many also believe that the present form of industrial organization is the only possible form, whilst others fear that their class will go under if the manual and clerical workers improve their position. It is unlikely that the present form of industrial life can be maintained in any case: it is self-destructive. It might, indeed, well be said in reply to this class of thinkers that the one real hope is to build up a new form of life, beginning with agriculture, based on an intelligent class of actual workers. Such a form of life, whilst it may destroy the rule of the oligarchy as a whole, will give full opportunities to the more intelligent of the present ruling class, whilst in any case, if we act intelligently—and we shall act intelligently unless the ruling class use their position to force a quarrel—the change need not seriously affect the financial position of men and women of the present generation.

Another group of people think that we cannot have

fine teachers and good schools, the basis of life of an intelligent population, since we have not money enough to spend on this development ; they believe that such expenditure will create poverty. They have overlooked certain aspects of the question ; they do not, perhaps, realize how costly the want of education has been : the building up of a social system leading to a policy of non-production with the weekly loss of wealth measured by millions of pounds could never have arisen if we had had a population sufficiently intelligent to realize what such a system meant and to prevent it being imposed on the country. Nor do these opponents to extension of education grasp that the fine teachers and the good schools lead to the type of population which is not only the wealth for which we are seeking, but the only path that leads to the remedying of our system and the attainment of future wealth. It will pay many times over in every direction to secure an educated population. But this cannot be done without effort : this particular apple is not going to fall into our mouths ; we must climb the tree to get it.

It is most important to realize that true education is especially valuable, since it belongs to that class of wealth which naturally increases. It is, indeed, governed by the same law as agriculture, the law of increasing returns, for as the grain of wheat, if sown, produces hundreds of grains, so sound ideas, if taught, fructify and show the way to produce further ideas ; then with these further ideas we shall be in a better position to produce the increased material wealth we need.

There are also many people of all classes who, seeing that a large section of the so-called educated allow their minds to be controlled by prejudice, gravely suspect the result of education. No doubt, in the past, the teaching

of all classes has been tentative and experimental, and has almost always been tainted with the motive of strengthening the position of the oligarchy and maintaining a state of servitude amongst the workers. This warps the mind of the young people of the ruling classes and produces an acute reaction of thought amongst many workers, the uprising of extreme schools of thought, and so fresh social difficulties.

The confusion in our educational system has, indeed, led to strange results: there has been side by side a practical scientific education leading to great productive possibilities in all directions, including agriculture, and a social education expressly or implicitly teaching to rich and poor alike a destructive economic policy, which when put into force reduces production and stops progress and thus causes our present social catastrophe. Scientific progress and social and economic decay are thus going on side by side. This phenomenon puzzles many people, but when the two currents are once seen the position becomes clear.

But we are now, thanks to our scientists and educationalists, with their new learning and new vision, able to apply the true methods of training to all branches of knowledge, and so devise a form of education that will act as a constructive force in every direction.

A people so educated will be able, not only to produce easily the wealth needed for a great civilization, but will be able, by exercising sound judgment, to remove the obstacles that prevent our national, social and economic growth, to create a real revolution by wise and gradual methods. Education is, indeed, our only hope, for without such education our political democracy may be no better than the oligarchy, and may pursue a destructive, economic policy either on the old or on new lines.

The case for education is therefore extremely strong. But that only brings us back to the question of funds. There is still an impression that there is a shortage somewhere. This is in itself a mistake. The funds are ample, but they are in the control of the financiers, and so are not available. That funds could be made available cannot be doubted;<sup>19</sup> even if the power of the financiers is so great that the funds in their control cannot be utilized to develop education, there is still a source of wealth referred to before that could be made available for this purpose. The actual waste in distribution of our home-grown and imported food is, it will be remembered, estimated at over £250,000,000 a year, and when, by proper organization and standard prices, we have saved this, there will be ample funds for general educational purposes. There is no doubt that we could easily, as soon as the initial reorganization of agriculture has been carried through, set aside ample sums for this purpose. This should solve our financial problem so far as the villages are concerned.

The exact form our education should take is an affair for specialists. The main point is this: the more sound education we have the better, for it is wealth itself and also the means to material wealth.

Education for all classes should have a communal basis, and this will be helped by providing wherever possible a definite communal centre. There is much to be said for including the school in the central public buildings, for in these buildings there would be a library, a stage and special facilities for music, which could be utilized for the classes. With the school should go a pleasant playground, facilities for gymnastics for young and old, and a playing field. The rooms should be well ventilated, well warmed in winter, and have beautiful

pictures. We can start with Eton as our model, and see how much of Eton's advantages can be given to the village. All these things help to create a wealth of imagination, and to produce cheerfulness and a spirit of optimism absolutely necessary for progress. Next comes the question of teachers. Teaching is the most important of all professions, and it should be well paid. The funds will be ample. The country might, with advantage, be divided into somewhere about 1,000 districts of, say, ten to twenty villages each, with the best available man or woman as a controller of education in his or her district—the man or woman of the type that we get at the head of our great secondary middle-class schools. We could well allocate out of the savings in distribution of agricultural produce about £15,000 a year to each district.<sup>4</sup> Such a man or woman would supervise the details of education for children and for evening and other classes for adults in his or her district. He, or she, should also have a secondary school at his own centre and, in particular, a staff of secondary teachers, amongst whom should be at least one man to teach to young and old the truth about economics and sociology and with it the art of building up: such a teacher should be competent to explain how we should organize distribution and increase production.

With such an organization, we might go straight ahead and in a generation have a thoroughly intelligent nation, who would be able to deal effectively with the problems of life that have beaten all civilizations in the past and are crushing us down at the present time.



## CHAPTER XVI

### *NEW LIFE FOR THE LABOURER*

**T**HE life of the labourer is something of a mystery even to those who have always lived in close touch with him. Nature is a hard task-master, and, as she wears away the lives of those who serve her, teaches strange lessons. Her inexplicable force and perpetual mystery, watched from the fields from sunrise to sunset, seem in many cases either to destroy or to create, and so one finds amongst the men and women of the country many whose minds are dulled to an inexplicable lethargy and others who have secured an intuitive and clear understanding of the essential things of life. Those who lose all and those who gain all from this close touch with Nature are alike a people apart: they live in worlds of their own. But between these two classes live the mass of the labouring population.

The life of the English labourer has, indeed, for many generations been shrouded in a tragedy of poverty and servitude. His tragedy is the bitterer since he comes of a fine old stock, with a tradition of independence. It is true that we never have had in this country the peasant aristocrat such as is found still amongst, for example, the Basques, but the English peasantry from the fourteenth up till even the beginning of the nineteenth century, in those rare places where he succeeded in maintaining his position, had the sturdiness and independence

that has characterized a large section of the European peasantry up till present times. There is no reason to despair of the future of the labourer. He has great qualities, if they can be drawn out and utilized, whilst amongst labourers' wives are to be found many women of rare strength and beauty of character. There is also certainly ample intelligence amongst the rising generation, and in particular amongst the children, if they can be given a chance of development.

What are the basic evils of the labourer's life? They are poverty, servitude, and also, perhaps, loneliness in life and his work: a loneliness in toil that is perhaps less marked in the larger farms where men work in gangs. Want of money, want of proper cottages with large gardens, want of a future for the children, want of true personal freedom and of a position of reasonable security, and want of a jovial, social life. The labourer is perpetually engaged in creating great wealth, but of this rich return he is able to secure but a pittance for himself. It appears that, on an average, the result of the year's work of the English agricultural labourer when sold to the actual consumer realizes somewhere about £500.<sup>1</sup> Moreover, his individual output could be greatly increased. Half that amount seems an ample allowance for costs of distribution, for rents, rates and taxes, interest on capital, and farmers' costs of supervision and expenses. It can hardly be suggested that the labourer ought, under any reasonable economic system, to receive, with prices where they are, much less than the other half of that amount, say, £234 a year or £4 10s. a week. Somewhere about that sum is his true, or, as may be said, his economic wage: he would be satisfied with payment of half this figure, which is perhaps equivalent to a townsman's wage of £2 10s. a week. At the present time, it will

be remembered, that his wage with all allowances for cheap cottages and harvest work varies between perhaps 30s. and £2 5s. a week. A wage equivalent to £2 10s. a week should be the minimum for a capable man: this figure might well be the national minimum wage, not only for agriculture but for all other industries. It is probably well below a fair wage for labour.

There are still people in Britain who consider that the true policy for the agricultural labourer is to combine and fight for a higher wage. These persons belong to the school of Adam Smith; they live in a world of the past; they have learnt nothing from the war. Such a struggle is essentially sordid, and the bargaining for wages has nothing to recommend it. How ineffective is such a struggle is seen from the history of the last century, when the labourer has never received one-half of the wage to which he was properly entitled if the business side of agriculture had been organized on a sound economic basis. Even the Scottish farm servants, who are stated, though it is difficult to believe it, to prefer the method of struggle, are apparently only receiving about two-thirds of the economic wage based on the lowest estimate, and their poverty is reacting on the towns in diminution of trade and in further unemployment. The very lowness of the wage of the land worker is, indeed, a national disaster. It has in the past resulted and will, if not dealt with, continue to result in overcrowding the towns, the depressing of home trade, and the increasing of our great slum population.

There is nothing so valuable as the struggle in its proper place. We can do well with the element of contest in games and sport, in boxing, in singlestick, in racing on foot and in cross-country steeplechases, and in our social life; there is joy and value in struggle, but a

fight for wages has no redeeming feature, and to encourage the idea that such a contest should go on is putting an obstacle in the way of the immediate relief of the labourer's lot. Even if the fight were ultimately to succeed it would come too late; we want a remedy to-day.

Next comes the question of housing. Housing has been stopped in this country in the main by our modern financial system. Directly we go behind the bankers and financiers, and introduce a system based on economics and sound finance, we can, as has been pointed out before, obtain National Credit for Local Authorities or Public Utility Housing Societies, acting as the agents of the authorities or the State. If this system is adopted, and the scheme referred to in the chapter on Money is found practical, our local authorities or societies can build cottages on half-acre plots at a computed total cost of £400, to let at about five shillings a week.<sup>9</sup> Rates are not included in this figure. The tenant ought to be able to recoup himself out of the profit of his land for the greater part, and perhaps, all his rent.

By higher wages and good cheap cottages, we can go far to cure poverty. There remain the questions of destroying servitude, the creation of a finer social life, and of a larger share of happiness. The adoption of the proposal that has been made to substitute for the present control by an oligarchy, democratic control through the introduction of Parish Land Councils and a National organization of Agriculture, will at once change the whole status of the labourer. He will regain his natural independence. He will be represented on the Parish Land Council, and in the larger number of parishes the actual workers on the land will, no doubt, after a few years take a considerable share in control.

He will be able to apply to the Land Council for a cottage and plot of land, and further land when he needs it, and there will be no reason why he should not obtain a cottage and a reasonable amount of land if he is qualified to manage it. By joining with his fellows a co-operative group, he will be able to take a farm and manage it on a co-operative basis, as some landworkers are doing to-day in England and many do in other countries. Every parish will be free to make its own experiments in that direction.

When the life of the labourer is so freed, it is possible that the present large mass of agricultural labourers will not remain a permanent feature of our rural life. Some no doubt will prefer to work on the larger farms, but it is not improbable that whilst young men will start their life as labourers, and as such will be members of their trade union, a considerable number will prefer, as and when they grow up and marry, either to take a small holding or to form one of a co-operative group. This is the form that the rural democracy naturally takes in some parts of England. It will probably be found that this form of farming gives the best results in high production, increase of employment, and also in independence of character of the worker and the cultivation of a co-operative spirit.

Under the new system, the labourer will be freed from the bonds of poverty and servitude. The loneliness and dullness of his life will also be remedied. He will then be able to take part in the reconstruction of our social life; with which will return the music, dancing and acting that naturally arise amongst country people when they are freed from poverty and servitude. There will be joy in all this for the men and women and children, for country people love such things and have often a

special genius for them. At the same time, and in addition to the new social life, evening and other classes will be available for those who wish to study.

The man or woman of capacity and energy will have further openings in his or her chance to pass on from the Parish Land Council to the County Federation, and even to the National Chamber of Agriculture, where he or she will take part in the engrossing and important work of the national development of agriculture and rural life.

There will be, indeed, for the worker on the land all those natural opportunities, now monopolized by the plutocracy, that should belong to a great civilization.



## **PART IV**

### ***PARABLES FROM THE COUNTRY-SIDE***





## PART IV.

### PARABLES FROM THE COUNTRY-SIDE

#### CHAPTER XVII

#### *TALES OF ENGLAND AND RUSSIA*

##### A CURE FOR UNEMPLOYMENT

**I**T was in the spring of the year 1922; I was at a wayside station on the railway line that runs through the great plain of Central Europe. It was the land of the White Russians, a peasant people; a country desolated by war, famine and disease. A huge truck of stores was being unloaded. A couple of strong boys were throwing out on to the line some blades of iron spades to be counted, stored and later on distributed. A little group—the unemployed—were standing around; amongst them were women with hungry eyes; they were looking for a cure for unemployment.

As I was supervising and counting, I saw a spade fall wide, near the crowd. In a flash of time a young woman moved forward a few inches and swung out her broad skirt; the spade was covered. At that moment someone asked me a question; in answering I turned, and when I looked again woman and spade had disappeared.

I let it pass, but I know what happened. The woman had quickly picked up the spade, passed through the crowd, slipped behind the wooden huts that formed the station, and in a few moments was swinging with the strong smooth stride of the Slav peasant woman across the plain to a distant hamlet.

She would make a haft of wood and, in the morning,

be at work on the land. Later, by theft, begging, or a gift from the Mission, she would get seed. The worker and the work would have come together, cultivation would begin, the natural forces of nature would be set to work and wealth would grow from year to year.

The woman could neither read nor write, but she knew something that our most learned professors have overlooked. Had she been able to frame phrases, she might well have said: "The cure for unemployment is employment in work that makes for wealth." That is peasant sense. It is also a profound truth, far more profound than the teaching of those learned people who tell us that "unemployment is due to great economic forces over which we have no control."

#### THE DOMINANCE OF THE DEALER

In the early spring of 1922, I was stationed at Perkowicze in the province of Drohicyn in East Poland, part of the territory recently taken over from Russia. I had been sent to supervise the reconstruction of agriculture in a devastated district. We had purchased ploughs from Germany, and had secured some 200 surplus army horses from the Polish military authorities. The greater number had been distributed to the peasants, but we had about fifty horses on our hands lodged in stables and barns. We were in great difficulties; our stores of hay were very low, as unfortunately a good deal had been stolen. We had searched the country-side and failed to find any to replace what had disappeared, and there was still a month that would intervene before it would be possible to turn our horses out to graze on the village commons.

I sat in the verandah of the half-destroyed manor house, which was the headquarters of the Relief Mission,

awaiting the return of the young Cossack aristocrat who acted as my manager—"the Master of the Horse" we called him. We had picked him up, half-starved, in Warsaw, to which town he had found his way when a refugee from Denikin's army. His knowledge of peasant life had been invaluable, and I felt certain that if there was any hay to be obtained he would get it. At last he rode up. "Pan Fordham," he said, "Maxim, the peasant who lives in the cottage on the farm, will sell us hay." "But he has none," I replied; "you know that when he wants it he steals from our stores; he robs us daily." "No matter," said the Russian. "He will buy where we fail." "Send for him, please," I said.

In due course Maxim appeared. He said he would let us have about 100 pood (a pood is about forty pounds) of hay, and asked 600 marks a pood (a thousand marks in those days was about a shilling). We talked round the subject for half an hour or so. I bargained for meadow hay, not marsh hay, which is coarse and rough. To this he agreed. He was positive that he could get whatever he wanted. Finally, we cut him down to 500 marks a pood, which I judged was less than the price we should have to pay if we bought direct from a peasant farmer. When all was settled, I gave Maxim 5,000 marks—ten per cent. of the total on account, and also promised to plough for him a desseteena of land (about two acres) if he would undertake delivery.

For a couple of days we heard nothing. Then Maxim appeared with his first cart-load; later he delivered the balance of the hay, took his money, and went off in high spirits; he had evidently done well for himself.

"But how did he manage it?" I asked my Russian friend. "I will inquire and tell you in a day or two," he said. Later he reported. It appeared that Maxim

had no hay when he sold to us ; but on receiving the money given him on account, he went off to the town, bought a bottle of vodka from a Jew and spent all the next day drinking with a small farmer whom he knew to have a stock of hay in his barn. In the evening both were drunk, but Maxim had the hay. What he made on the deal we never knew, but probably about 10,000 marks. " But why," I asked the Russian, " did not the farmer come to us ? It is well known that we are willing to pay at least 500 marks a pood for meadow hay." " It is the custom to transact affairs in this manner," he replied. " But why ? " I asked. The Russian crossed himself. " The good God only knows," he said.

I reported the transaction to the Quaker lady who was head of the Mission. " It all seems very corrupt," she said. So we both thought. But I could match the story in England any day, for this method of transacting business differs very little in principle from the custom of the English country-side.

Take, for example, the following story that comes from an East Anglian village. It was war time. Joe Wheeler, the dealer, was leaning over a gate looking at a field of onions and talking to the small farmer who had grown them. The talk drifted on slowly ; the dealer was in no hurry, but he had no intention of leaving until he had bought the crop. At last they came to terms. No doubt dealer and farmer went over to the village inn, had a quart of beer or perhaps something stronger, and then the farmer would take ten per cent. on account, and the bargain would be clinched. After the crop was gathered and delivered my informant asked the little farmer what he got for the crop. " Nine hundred pounds," he said. Now the market price happened at that time to be about £2,000 at the rate fixed, I believe, by the Ministry

of Food, and this was no doubt as near as may be what the dealer got. The farmer did not complain; he had been outwitted, but, after all, it was the custom of the country-side for the dealer to outwit the farmer, if he could. "Joe was well paid for his half-hour's work leaning over the gate," was the farmer's comment.

I was recently told the life-story of a man, well known in the English country-side, who died some years ago. He started as a labourer, but somehow he became a dealer. At first, no doubt, he worked in a small way, and his life was hard. Later on he was selling manures and fertilizers to the farmers and buying hay. His system was to pay cash for the hay, and give credit for the manures: thus farmers were always in his debt. Working in a large area he had substantially a mortgage on a considerable part of the hay crop. Probably he charged a shade over the market price for his manures, and paid a little less than the market price for his hay. When there were rapid rises in prices in hay, he no doubt made the most of them. He was too clever to be caught in slumps. It was said that "he did very well" out of the South African War. No doubt he had many activities besides dealing in hay and manures. As he went about the country he would sometimes find a farm to be bought cheap. He died a very rich man, and owner of many farms.

#### THE JEWS OF DROHICYN

In the summer of 1922 I was riding for the last time with my friend and helper, Ganjoulévitch, the Cossack, round the villages in White Russia which it was our business to reconstruct. We had left Perkowieczé and ridden south to Wolka Radowska. In Wolka Radowska, in that year, the people lived underground. Their village had been burnt early in the war: it would have

been useless, perhaps impossible, to rebuild it, so the few remaining peasants dug holes, threw charred beams and brushwood across the tops and turfed them over: the grass grew in the summer, and the snow covered all in the winter: but it was comfortable in the pits. In war time, too, it had been safer: armies were passing east and west along the rough track that runs, a couple of miles away, from Pinsk to Brest Litovsk. The peasant was not concerned with their doings. "The good God only knows," he would say, "what it is all about;" but machine-guns and rifles might pop off any time, and wife and children were safe if they kept below ground. The custom once established had held: the peasants of Wolka Radowska still lived in their holes. "After all," they would say, "there may be another army to-morrow: the Bolsheviks, they say, are coming back." Karolin, the next village on our route, had suffered less; from Karolin we rode to Wolka Popinska, where pit life was still common. Here I had a case to try: a rich peasant had taken, it was alleged by force or fraud, the Mission horse that we had lent to a poor refugee. A week before he had come to the Mission-house, some eight miles away, and told me a long story: he seemed astonished when I had said that I did not believe him, and that I would come myself and judge of the facts on the spot. "It is quite unnecessary for the Bárin to take so much trouble," he had said. When we rode up, a little crowd collected round our horses; floods of words were poured forth. My Cossack friend interpreted; I listened and cross-examined. The rich peasant's case was, as I expected, a mass of lies. I decided against him, and the horse was returned to the poor refugee. The rich peasant went off grumbling and cursing. But the crowd laughed. "What the Bárin says is sense," they declared.

Turning north we came in half an hour to the fertile meadows of Popina. There I saw for the first time in the province a herd of good-looking cows browsing on the common land. "You have cows, you are rich in Popina," I said to the Soltys, the headman of the village, who had come to meet us. "Ah, no, Bárin," said he, "the cows are not ours; they belong to the Jews of Drohicyn. They get all," he added.

A year later I was in the country talking to villagers. The story of the Jews of Drohicyn was in my mind and I talked in very simple words of the power of finance. The parson followed me: he told of a talk with a farmer whose flock of sheep he was admiring. "Ah," said the farmer, "they belong to ——" and he named the local banker. "How kind," said the parson, "of the banker to find the farmer money to buy a flock of sheep."

I told the story to an intelligent young farmer. He looked suspicious. "I always try to keep out of the hands of those people," he said.

Much indeed depends on how you look at these things.

#### THE WOULD-BE CO-OPERATORS

A meeting had been called at the village schoolroom to hear an address on the advantages of co-operation in distribution.

The Squire was in the chair, and an authority had come down from London to tell us all about it.

The first thing, of course, that everyone wanted to know was how much the lecturer got out of it; that is the way country people think; we know our own friends, but we suspect that anyone who comes from the towns is out to make something—cash or reputation—or else he would not come. There is philosophy in this. Why do people advance particular views? One often has to ask.



The lecturer was clever enough to know this, and began by satisfying his audience on that point: he did not get much, and was paid by a Government grant. Then he went ahead and gave a vivid picture of how the Danes rebuilt their agriculture in the last century with the help of co-operative effort; he recommended the farmers and smallholders of England to do the same. In some districts much had already been done, he said. They would do well to start right away in that village. There were some weak points in his argument, and most of the audience realized vaguely that much of what he said about Denmark, with its distant markets and democratic life, had very little application to the life of England, with markets at our doors and dealers everywhere. He was followed by Laxton Warren, who had taken part in a similar movement in the Okanagan Valley in Canada. Warren said he believed in co-operation, but their success in Canada depended on clearing out all dealers and securing a monopoly. It was not co-operation but monopoly that was the cause of success. He added that the Okanagan Valley movement had found that it could not succeed unless they could get not only their own people, but substantially all the fruit growers of the Pacific slope: that they were doing to-day. The lecturer was not very convincing about this, and left his audience in doubt.

However, a committee was appointed; Laxton Warren, who was keen to do something, was made secretary, and a land-holding gentleman farmer who was a strong supporter of co-operation was made chairman. He votes Tory, but is a fair-minded man whom all the village trust. A week later half a dozen of the farmers supped together with the chairman and talked it all over. "As I understand this matter," said one of the leading farmers, "we want to get a grip on the whole district, run the trade as

a business proposition and collar all dealers' profits. We have all of us got to come in, or none." "Well," said Jackson, one of the smaller men, "my father-in-law's a dealer; he gives me good terms. I've got to go slow." "That's right," said another man. "Uncle Jim made thirty thousand pounds dealing, and we're hoping he'll leave me ten thousand pounds." They all laughed. "After all," he added, "we all do a bit of dealing, especially when times are bad: that's what keeps us going."

Meanwhile, Simpson, the dealer, the friend of all the smaller farmers, had been round the district. He lends the smallholders money on their crops, sells them manures and buys almost everything they have to sell—at, of course, his own price, since they don't understand markets, and are always in his debt. He did not "crab" the scheme, not he: he said it was a good scheme. Of course, they would all want to settle up with him first; to get rid of the old love before they got on with the new, and then he would be able to start in a fresh place. "A capital plan for everyone," he said. None of the smaller men had the ready cash: they began to think about it.

In the following week the Committee met. "How are we going to start?" they said. "That's the puzzle. Most of the men like the idea, but they all say they ain't coming in themselves. We'd better let it stand over for a bit." "According as what I hear from a Dane who came over here," said one man, "things ain't so very flourishing there: the small men live on margarine, eat Roumanian eggs, and they are employing cheap labour from Poland. That's how they cut us out. There's a catch in this somewhere." "The catch," said Laxton Warren, "is this: that unless you all come in, there's not much in it; and even then all England has got to come in. It's monopoly that does it. I know, because I've seen it done."

“ Well, we ain’t none of us coming in,” said one of the committee. “ It’s a job for the Farmers’ Union.” “ The Farmers’ Union cannot do it any more than we can,” said Warren. “ It’s a job for the Government ; they’ve got to get hold of the markets.” The Committee went on talking, and at last someone said : “ Well, that chap’s coming down from London again in a week or two ; we shall have to say something to him ; we must think it over.”

In due time the lecturer came. It was a small meeting, and the Squire was not there. After some talk one of the farmers, named Stillecorne—a bit of a wag—got up. “ We’ve talked this matter over amongst ourselves, sir,” he said to the lecturer, “ and we thinks that even if we did gain a little by this new system our rents would be raised, and we should be no better off than we are now.” The meeting laughed : so cleverly do country people side-track a question and conceal the facts from “ foreigners,” as outsiders are still called.

Next time I met Stillecorne he began to talk about the meeting. “ What rattled me,” he said, “ was this : Why does the Government spend our money on sending chaps down to lecture on co-operation ? Perhaps,” he added, “ what Warren said was true. They want, maybe, to keep our minds occupied and prevent our worrying them to do anything.” The Chairman, on the other hand, said : “ All farmers are dealers, or mixed up with dealers ; they will never move. This is too big a business for voluntary effort. The Government will have to take steps ; then everyone will bless it. Will they see the point and act ? ” There was an element of truth in both these views.

**WHAT THE HARVESTER SAID**

The northern hill lands of Hertfordshire drop suddenly to the Cambridgeshire plains. Near the tops of the hills, just under the brows on the southern side, lie in a line the little Hertfordshire villages of Wallington, Sandon, Kelsall and Therfield.

One harvest time in a year long before the war I was riding north from Sandon to my home on the plain. I was just coming to the hill top, and the slope was spreading out before me ; in the distances on the right were the spires of Cambridge, and far in the background lay Ely Cathedral. The road turns just where the view spreads out, and as I reached the bend I heard the shout of "Largesse for bevor !" "Largesse for bevor !" an old French cry, a cry which no doubt the Anglo-Saxon peasant learnt more than eight hundred years ago to gain a gift from any Norman Lord who might pass down the road, for it means "A gift for drink."

The call came from a group of harvest men who had just reached the corner of the field that lay over the hedge and had stopped for a moment before they restarted their work. I was trapped, for the men claimed in accordance with custom a fine of twopence per head from a gentleman, one penny per head from a farmer. I paid at the twopenny rate. A small beer-barrel that had been concealed in the hedge was brought out, a tin mug produced, and we drank solemnly in turn. Having then, as in duty bound, talked of the weather, we passed on to the crops. It was that which started the talk of one of the older men. It was clear that he was what we used to call a radical, but in fact he was a socialist. He had a little more education than was common at that time. I heard afterwards he had been a Primitive Methodist

preacher. He spoke in the dialect of the freer men from the flat lands, to which I also belonged.

He looked across the fields and down the long slopes. Then he said: "Look at that; do you see that hedge near a mile away? That's the end of Johnson's farm; it's over five hundred acres. Pass your eye over those fields, there are thirty of 'em. I've counted them a score of times. You can pick out the wheat fields." He named them, for fields have names. "There's Small Gains, the Fifty-acres, Gunnell's Pen, Smith's Shots and Pightle Field. There's close on one hundred acres of wheat there; and good wheat too. There's enough wheat on those fields to find bread for the whole village. And that land is only a bit of the parish; only a bit. There's enough wheat grown between here and the Royston Road"—and he looked down to the bottom of the slope, two miles away—"to give bread to ten parishes. And yet we all go short, wife and kids and all."

A rabbit peeped out of the cornfield. Silently we watched it as it slipped across to the woods.

"Yes," said one of the younger men with a grin, "and enough game in those woods to give us all a Sunday dinner every Sunday."

"As you knows well, Jim," said one of the others.

The men all laughed; one had only to look at Jim to know why; he had the quick eyes and slight strong frame that mark the man in close touch with nature; such a man in the village is always a poacher.

But the older man was not to be put off by a joke.

"And who gets it all?" he said.

The men were getting nervous. It was none too safe to talk, for the parish lay in the Salisbury country, which at that time was ruled with a rod of steel. They all got up. "We must be getting on to the job; we get nothing

for sitting here, anyway," said one of them cheerfully. "I guess squire, and farmers, and Thompson the dealer, and parson and the rest get the crops, but why they should, God only knows: they don't do much for it."

"But what I says," said the Primitive Methodist, who would not be stopped, "is that we, as do the work, wet and fine, all day and every day, ought to come first. When we're comfortable if there's any over, let 'em have it."

The men did not answer; they went back to work. I rode down the hill, with Cambridge, our seat of learning, before me. But the true wisdom was in the fields behind. The man indeed had the peasant vision, which is wiser than the learning of Cambridge; he saw clearly, as many country people see, even if they do not say it, that the right of the worker to a first claim on the fruit of his labour is at the basis of life.

#### WHAT THE PLOUGHMAN THOUGHT

I was sitting on a gate at the roadside in Cambridge-shire on a Sunday evening in 1920. A labourer was coming down the road.

He was an oldish man, wearing corduroy trousers and a short black coat of rough cloth. I could see he was a ploughman or horse-keeper, for he walked with the slow steady tread of a man accustomed to step with his horses. For all his sturdiness, he looked tired and worn, and it was only when he stopped that his eyes brightened.

We talked, as in duty bound, of the weather—and then of the price of pigs. "I never se'ed pigs keep up like they do of late," he said.

There was a pause, and then he went on, speaking slowly, with many further pauses:

"My son—he reads the paper—says as how they are

going to build some more houses, and that something may be done for us poor chaps. . . We do hope to get some new housin' in our place; it's terrible bad. Half the old cottages have only one bedroom; and what we call two bedrooms is mostly only a landing on the staircase what we all go through. It ain't right.

"Look at my house," he continued; "come and see it for yourself next time you are by. It's on that bit of old waste, close to the stream. There be seven of us to sleep in two bedrooms, and that ain't such a wonderful big family—not like some. You can't stand up in the rooms; it's too low. The roof wants thatching and leaks. And the place is so full of beds that, when the rain comes through, there is no room to move out of the drip."

He went quietly on: "The old place is so damp that if the missus puts down a bit of carpet it goes rotten and tears in your hand. She's had the rheumatism in her knees proper bad."

Again he stopped, and we watched the rooks flying slowly home to the woods of Odsey. Then he began again: "My old grandfather used to say that he built the house himself on the waste when he was a boy, though the old squire gave him the wood and the bricks and the straw to thatch it: that must be nigh on a hundred years ago. Then they enclosed the waste and the squire got it. My father lived there forty-five years, and I've lived there thirty years. The rent ain't much as rent goes, four pounds ten shillings a year: it was three pounds in my dad's time. He used to say no repairs were done in his life save what he did himself, and none in mine either. We must have paid the price of it ten times over, let alone that we built it ourselves. It's about time it was ours, I'm thinking."

He too was facing the economic problem, and setting

his peasant's wit against the great financial question of the time, the financiers' claim to a perpetual interest. He had not studied economics, but he was right. It was about time the house was his.

#### A RULER OF HIS VILLAGE

Charles Lamb Lexington (pronounced, of course, Laxton) was born in 1811, the year of the founding of the Merino Society. He was the son of Peter Frost Lexington, who was one of the first presidents of that Society. I have before me an old picture of Squire Peter: he had, as tradition says, somewhat the face of a sheep. This explains an old joke still chuckled over in the countryside. Nearly a century ago Peter was crossing London in a hackney coach, and with him was his prize merino ram. His shepherd was on the box, and when he came home he said, "Squire was looking out of one window, and the ram out of the other, and I was so 'mussed' that I did not know t'other from which."

Peter was no doubt called Frost because he was born on a frosty morning: he gave his son the name of "Lamb" because his arrival coincided with the "dropping" of Peter's first merino lamb. Such choice of second names was a tradition in the family. As a boy Charlie saw the common fields enclosed and pass into the hands of his father, the squire. One of his earliest recorded amusements was to slip down into the village and see the labourers, the dispossessed peasants, being put up for sale to the new farmers. Perhaps he was impressed by this, for later he called himself a reformer and became a politician. Reform was not, of course, in those days social reform, but political reform; and so "Orator Laxton," as he was then called, put first in his programme "Annual



Parliaments and Universal Suffrage ; ” women, of course, were not included in his universe.

He wrote a long pamphlet with this title, adding the sub-title “ A Cure for the Ills of Agriculture.” Later on he concerned himself with affairs : he dabbled as an investor in railway shares and other businesses. He also coquetted with the free trade idea, taking the view advanced by the Anti-Corn Law League in their original statement of objects, that the Corn Laws had not the “ merit of securing a fixed price for corn,” at that time, as now, the ideal of intelligent agriculturists. He was for a flat-rate price of fifty shillings a quarter.

He did not, of course, allow his advanced political ideas to interfere with his duties as a ruler of his village. He became a magistrate and held that it was his duty to see that the workers were kept in their proper place. He continued almost to the day of his death the old custom of fixing labourers’ wages ; he and one or two of the big farmers would meet, generally about Easter, and settle the rate for summer and winter pay, and issue it next market day. The wage in his view was to follow the price of wheat, and when wheat dropped the loss was to be taken out of the labourer. That was his economic theory. Labour was to come last.

In 1850 wages in his parish were fixed at 9s. a week in summer and 8s. in winter, which was perhaps a generous rate for the time. Later on he used to say 2d. an hour for a man, 1d. for a woman and  $\frac{1}{2}$ d. for a boy was a fair wage, and on that scale he based his calculations. This kept the labourers on the verge of starvation, but by a generous system of doles, he secured that, in his village, they never actually starved. Thus he justified his contention that he was a Liberal, and “ on the side of the poor.” A sportsman and a fine horseman, he punished

poachers, but with rather less than the customary ferocity. He was interested in labourers who had ideas, but if any such were found in his parish, they were encouraged to leave, and if they did not take the hint it was soon found their cottage was wanted for someone else. "Such men," he would say, "disturb the happiness of the village"; so they were removed. If he were in a good humour he would use his interest to find the man a job in the town.

He liked pretty faces, a dangerous quality in a squire, but his wife saw that the maids were not selected for their looks.

He knew no language besides his own, and only travelled once. "Beastly place abroad," was his comment when he returned; "everyone robs you."

He preferred, he said, to stay at home in the country where he was known, but once a year when his family spent a month in London, he would come up for a few days. At home he was a leader of life. The meet of the hounds on his lawn was a great event: his annual dance and summer parties were county institutions. The school treat and village fête in his garden was the event of the year for the cottagers. Everyone came to talk to him when he walked into the corn market at the market town. In the country he was amongst his own people, and they understood him. There only he was happy.

A friend of the parson, who dined with him once a fortnight, the squire went to church with his wife on Christmas Day. He also subscribed to the chapel funds, but he was by temperament a freethinker. "I'm not much of a reader," he would say. "No, I don't read books; I have better ideas than any I ever found in a book." He thought common sense was more important than

knowledge, and when people talked about education, he would say, "Certainly I am for education, but if the labourers are educated they won't work and England will be ruined."

He was a good landlord, had sound tenants and drew fair rents. He understood agriculture, was one of the first judges of barley in the country, and knew the value of his stock. He could talk about pigs with anyone: for this, for his personality, his wit and his good looks, he was loved by all. He never went into Parliament, but he was pricked for High Sheriff in 1878 and served with dignity and distinction.

Mellowed as he was, by age in the 'seventies, when Joseph Arch was raising the labourers, he was prepared to admit that there was something in it. He took the opportunity of raising the rate of wages in the parish 1s. a week, and coupled it with a condition that no agitators were to be allowed. Thus, by a simple diplomacy, he maintained his rule.

The collapse in prices round about 1880 hit him, as it did everyone in the country, but by that time he had made his fortune and had invested his money in America and the towns. However, he rose to the occasion, and reduced his rents substantially all round.

He was an old man in 1885, when the labourers voted for the first time in an election. He was troubled about it, but he took the chair at a Liberal meeting. He was, he said, "the old hound lagging behind."

A few years later, he died. His funeral was a county event. His horse was led before the coffin, which was borne by six old labourers who had worked for him all their lives. On the coffin lay crossed his whip and the sword he had had when as a young man he had served in the Yeomanry. A great crowd, collected from far and near,

followed. The Lexingtons had lived in the neighbourhood for six hundred years, but there was no one to follow him, for his children had died before him or drifted to other interests in the town.

A story is told in the country of one of his tenants who outlived him by a couple of years. He was dying, and he sent for one of the family, the squire's nephew. "Sir," he said to him, "I'm going soon; they've been talking to me about religion; I want to know what the old squire used to think." "Well," was the reply, "the squire thought this: 'It did not much matter,' he used to say, 'what a man believed, as long as he behaved decently.'"

The old farmer ruminated a little. "I think I'll think as th' old squire used to think," he said. After a pause, he added: "He was a wonderful judge of a pig."



## **APPENDIX**



## SECTION I

### NOTES

#### (1).—INCREASE OF PRODUCTIVE POWER

“A machine to-day,” writes Professor Soddy in an article in *The Crusader* of 21st December, 1923, “can embody tens of thousands of horse-power, every horse-power equal to the work of ten men, and that machine can work eighteen to twenty-four hours a day, so that it can produce as much wealth to-day as 300,000 men in the time of Adam Smith.”

#### (2).—LOCAL GOVERNMENT AND DEMOCRATIC CONTROL

The power of local authorities is in inverse proportion to their democratic character.

The main power lies with the County Councils, which are controlled by the wealthier classes. It is, indeed, impossible for anyone who has not time and money at his disposal to sit on a County Council. The elections cost money and the expense of attending meetings and committees may be quite considerable. I, myself, when a member of the Small Holdings Committee of the Surrey County Council found that my expenses were at the rate of about £25 a year.

Membership of the Rural District Councils involves less expense, but the duties are limited, whilst the Parish Councils, which are substantially democratic, have very little power; apart from dealing with allotments, they can do nothing of any importance.

#### (3).—THE DECADENCE OF THE OLIGARCHY

Students who wish to assure themselves of the essential accuracy of the analysis in the text of the attitude of the ruling classes should read, for example, the Interim Reports of the



Royal Commission on Agriculture issued in 1919, the reports of the Departmental Committee on Distribution and Prices of Agricultural Produce appointed in 1922, the various pamphlets and booklets on the Agricultural Problem issued in the year 1923, the correspondence that appeared in the London Daily Press during the same year, and especially that which took place in November and December, with special relation to the general election. The unsatisfactory character of so many of the reports issued by Government Committees and Commissions appears to be in part due to the methods as a rule employed in choosing the members of the committees and in part due to the procedure that is usual in selecting witnesses and preparing evidence to come before the committees.

#### (4).—MISCELLANEOUS FACTS AND FIGURES

The figures given below are the best estimates that I have been able to make. It is not suggested that they are accurate, but they are not so inaccurate that they fail to give a fair picture of the present position and the possibilities for the future. It is suggested that those who wish to study this aspect of the question further should peruse "Food," by Sir Charles Fielding, published by Hurst and Blackett, price 12s. 6d.

#### WORKERS ON THE LAND

Estimates.  
Individuals.

A.—The paid labour on the land of Great Britain consists of full-time male labourers and full-time women workers of various classes, and also of a large number of casually employed workers. Some part of these workers are farmers' relatives. Their work probably roughly represents the full-time work of .....		800,000
There are also many small farmers working at manual labour represented perhaps by the full-time work of .....		200,000
		<hr/> 1,000,000

## FUTURE EMPLOYMENT

Individuals.

B.—Sir Charles Fielding suggests that there is room for employment of 2,000,000 more individual workers on the land. It is perhaps safer to say that we could with advantage employ 400,000 more persons in agriculture in the next few years.

That is, with families ..... 1,600,000

Probably if a national system of electric power were installed throughout rural England, and workshops and factories were built, there could be brought out of the towns, families included, a further 5,000,000

Estimate.  
In millions.  
£

C.—(1). Average total amount paid to the cultivators of Great Britain by dealers and merchants and others for the produce sold off the land annually for consumption ..... 200

(2). Average total amount paid by the consumers for the same goods ..... 500

(3). Cost of transport and distribution and other expenses, such as milling, baking, etc..... 300

(4). Waste in transport, distribution, etc .... 150

D.—Value of staple articles of food imported annually from abroad of the character that is produced in this country ..... 350

E.—Annual value at wholesale prices of food that is now imported from abroad that might with advantage be produced in this country ..... 200

Consumers' price of the same ..... 450

Waste in distribution ..... 100

F.—Other minor sources of waste, that might be remedied at once, on adoption of the system recommended, arising from :

(1). Present methods of dealing in stock, etc., bought and sold between farmers.

(2). Uneconomical arrangement of land boundaries and of farm buildings.

Millions.  
£

(3). Methods employed in purchasing manures, seeds, implements, etc.

(4). Financial methods described above.

(5). Poor quality seeds, artificial manures and stock.

Total—say ..... 30

G.—National savings that might be effected from non-payment of doles and other expenses if we employ in the country some part of the present unemployed, or other townsmen whose places might be filled by the present unemployed—say .....

20

#### WASTE ACCOUNT

H.—In distribution of home produce ..... 150

In distribution of foreign produce that  
might be produced at home ..... 100

In farming, details, etc. .... 30

In doles, etc. .... 20

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300

#### ALLOCATION OF SAVINGS

I.—Everyone will have his own ideas as to how the savings obtained by a National Policy of Food Production should be employed. The following allocations are suggested for consideration :

1. Reducing retail prices to the consumers of meat, bread, milk, fruit, vegetables, etc., produced or producible in this country, by 15 per cent.—say ..... 142

Of this some part might be specifically employed in reducing the price of bread to a definite flat-rate figure of say 7d. a 4 lb. loaf.

Sir Charles Fielding at one time suggested 6d., but that seems hardly consistent with a reasonably high rate of wage.

## Appendix

195

	Millions. £      £
2. (a) Raising wages of workers on the land at the rate of £1 a week .....	40
(b) Increasing farmers' profits .....	15—55
3. For Social Services :	
Communal Village Funds .....	7
County Federation Funds :	
For Agricultural Education, etc. ....	3
For General Education .....	15—25
4. Redeeming Land Bonds .....	20
5. Compensating Middlemen .....	5
6. Administration and Sundries .....	10

### VALUE OF WORK OF INDIVIDUAL LABOURERS AT PRESENT PRICES

J.—Assuming that there are 1,000,000 full-time workers on the land and their output is sold for £500,000,000 (*see above*), it follows that the average annual output of the work of an individual labourer is sold to the consumer for £500. From this figure, rent, farmers' expenses, a reasonable allowance for distribution, etc., has to be deducted to arrive at the net value, estimated at between £200 and £250.

### COTTAGES

K.—It is stated that 200,000 new cottages are needed at once in the villages of England and Wales and 75,000 in Scotland. An additional 100,000 a year might certainly be built with advantage every year for ten years to provide for new residents and replace the normal decay of old cottages.

### (5).—UTILIZATION OF MIDDLEMEN

It is important to realize quite clearly that only a small proportion of the waste in distribution goes in the profits of the individual middlemen: a greater part is absorbed in their personal and establishment expenses. To grasp the effect of organization, it is well to consider in detail what might happen. For example, of the dealers who purchase from farmers, those who farm themselves can, with reason, be asked to confine

themselves to farming, in which their profit will be, to a large extent, assured. Others can be absorbed in the new organization, and as home trade increases it will follow that there will be an increasing demand for such men. Some establishments will certainly be dispensed with and buildings will be allocated to other purposes. Many employees of middlemen—for example, the men who drive milk carts—will, no doubt, be glad to go back to productive work in the country, from which most of them came. A considerable number of shops may be closed and either used for other business purposes or for housing, for which there is, of course, a great need in the towns. Some of the flour mills will, perhaps, be closed and diverted to other purposes. The millers are complaining that the productive capacity of the flour mills of England is 30 per cent. above requirements: probably, on the other hand, the importation of flour will be stopped; that will give work for some of the surplus mills. There will be, no doubt, when every adjustment has been made, some men and women to be compensated. Probably the wholesale dealers, highly paid men, will be the greatest sufferers.

#### (6).—THE NEED FOR MONOPOLY IN DISTRIBUTION

Lord Selborne takes the same view as to the need for monopoly. "If we fail to organize from top to bottom," he told the Agricultural Organization Society, "it would spell disaster for Agriculture."—Annual Report of Society: year 1918-19.

#### (7).—THE ECONOMIC VALUE OF TRADE

There is very little clear understanding of the question of the economic value of trade: it is to be hoped that one of the younger economists will investigate the matter shortly.

Meanwhile a few notes may be of interest to the reader.

Many people who have observed that the most noticeable feature of trade is an exchange of goods have desisted from any further consideration of the subject. It should be observed that trade is not always merely an exchange of goods; whether it is or is not, there has been built up round this fundamental process a huge organization of financiers and traders whose

primary object is not to secure a quick and effective exchange, but to make profits for themselves. The value of the actual transactions is, therefore, sometimes obscure, and the only thing that seems quite clear is that trade is good for traders and financiers, two classes who, not being producers, should not receive undue encouragement. Trade is often certainly accompanied by poverty to the producers.

The actual results of a trading system so carried on are often curious. In an English village recently a cart went round the farms, collected the butter for the market, and returned from the station to deliver parcels of margarine for the farmers' own use. Similarly many of the Danish peasants before the war, according to a Norwegian authority, sent admirable butter and eggs to England, but had to content themselves with margarine and Siberian eggs; many, he said, were poorer than English labourers. Now according to official and other reports the Danes who send eggs and butter to England import Roumanian eggs and eat margarine. It would be interesting to know whence the Roumanians get their eggs. Before the war the Russians sent us corn, and according to a Russian authority peasants were being half-starved to do so. At the time that such imports from Denmark, Russia and elsewhere were and are coming into England our own farmers suffer, our labourers were and are either unemployed or else sweated, and our land, admirably suited to produce the imported goods, is half cultivated. There is another interesting aspect of the trade with Denmark. The Danes sent us in 1923 about £46,000,000's worth of eggs, bacon, butter, cheese, etc. We exported to Denmark goods of the value of about £10,000,000 and coal of the value of £3,977,000. Export of coal was dead loss to the country: it was emptying our national coal cellars; it might have been used to advantage in providing electricity for our country-side instead of the Danish country-side. Certainly much of our trade with Denmark seems destructive of the national life of England, and, perhaps, to some extent to the workers of Denmark itself.

One cannot help imagining that the Danish peasant and town worker would be advantaged if he ate his home productions, just as, undoubtedly, the Russian peasant before

the war would have benefited if he had eaten his own corn ; whilst the English worker would have been better off if more corn, eggs and bacon had been produced at home. There might have been a little less foreign trade but more home trade. As long as traders control trade for financial reasons these strange features will be observable.

Until the economics of trade have been explored discussions on free trade and protection seem quite futile, but there are some points that may, with advantage, be made clear. The phrase " free trade " seems to have been originally used to defend the introduction of the dealers between producers and consumers. It was argued that this would lower prices, and many English economists have supported that view. The exact contrary happened about the beginning of the nineteenth century when this form of free trade began to be introduced, and this rise in prices appears to have been maintained ever since and is a growing evil.

Later the phrase " free trade " came to be used to advertise the idea that there should be no import duties on goods. Thus it came to describe two classes of transactions that had opposite economic effects. The free importation of, for example, raw cotton—a commodity which could not be produced in the country—and the free importation of corn and other food that could be produced in this country. The former class of transaction is, in its effect, productive ; the latter appears to be, as a rule, destructive. In the economic argument the question of price hardly comes in at all : this trade is destructive because it throws men and women out of employ, and so produces poverty and misery, and also goes to create a large non-productive class of traders. There are people so inconsistent that they will recommend co-operation and oppose competition amongst English farmers, and will defend competition between an English and a Danish farmer because, apparently, it is called " free trade."

" Protection," as it is called, begs the whole question : it is, so far as it means introduction of import duties, perhaps as destructive as competitive free trade.

When, in the future, we come to consider the economics of trade and industry it is possible that we shall discover that

a country should be organized to produce what it is to the advantage of the nation as a whole should be produced, and not merely that which puts most money into the pockets of the financiers and traders.

### (8).—ECONOMIC LAWS

There are two popular ideas thought to be based on economic laws that cause endless confusion. The first that competition lowers prices, and the second that prices are fixed by "the law of supply and demand." They may be classed with such a statement as that "men's tempers depend on the weather." No doubt the weather has something to do with the individual's temper, and so has "competition" and "supply and demand" something to do with prices. But they are only two of many causes, and, in fact, the other causes are often the controlling elements. We know, for example, that if there are too many bakers' shops in a town that the undue costs so arising are invariably transferred to the customer: Gide, the famous French economist, suggests that the competition amongst bakers in Paris resulted in a rise of prices of 40 per cent. This is a simple illustration of what usually follows from competition. The statement made by some modern thinkers that "competition raises prices" is, in fact, not far from the truth.

### (9).—BANKING

1. An Essay entitled "The Bankers' Part in Reconstruction," issued by the Civic Committee of the Sociological Society, deserves much more attention than it has yet received. It gives, amongst other valuable information, a complete practical proposal for financing cottage building without interest on the credit provided. This proposal goes to show that it might be possible, by using national credit, to let cottages at an economic rent to cover repairs sinking fund and minor expenses, other than rates, that works out at about 3 per cent. on the capital value. The exact effect of this proposal for financing housing by what is called circulatory credit is being widely discussed at the present time. It is suggested that it would cause inflation of currency, but the increase in currency (if any), involved in the transaction is so



small in relation to that in general circulation that it is difficult, even if the argument of this school of thought is accepted, to believe it would have any effect. The point deserves careful consideration.

2. The Bankers' monopoly of control of currency was abolished during the war by the Currency and Bank Notes Act, 1914, but the Banks, by securing the issue of the so-called Treasury Notes, have, in fact, maintained their monopoly.

3. In France, before the war, the Bank of France was, under its charter, compelled to provide credit up to certain limits for agricultural development, free of interest. (See the monthly *Bulletin of Economic and Social Intelligence* for April, June, August and October, 1913, published by the International Institute of Agriculture in Rome.)

The Guernsey Market, financed by special currency notes, "was," says Mr. Sidney Webb,<sup>20</sup> "built without a loan and without payment of interest." (See "An Example of Communal Currency," by Mr. J. Theodore Harris, 1911.)

In the course of the reconstruction of Czecho-Slovakia, the Government took over the Austro-Hungarian Bank, and by special statute reserved to the State "the right to issue media of payment and to mint coins." "A State Bank of Issue" was then created, and State notes were issued, the number being regulated according to a special system. It is stated that this policy was of great value in the reconstructing of the finances of the State and developing industry. (See "The Financial Policy of Czecho-Slovakia," by Alois Rasin; Milford.) In the United States a Farm Credit Act passed in 1923 provided for the creation of Government Banks to provide credit at, apparently, a low rate of interest for agricultural purposes. (For this and further information, see "Hansard," 30th May, 1923.)

4. There are a very large number of small non-profit-making "credit banks" in many countries, established to finance cultivators: the farmers, as a rule, take a certain amount of joint responsibility. So far as information goes they are almost universally successful, and practically no losses occur.

**(10).—FARMERS' NEED TO PLAN IN ADVANCE**

It is extremely important that it should be realized that a farmer's business has little in common with an ordinary trade concern. A manufacturing bootmaker, for example, on hearing from his travellers on a Saturday that demand is going down, can reduce his output in a week. He can even close his factory altogether. A farmer can never close down, and he has to plan for years ahead; he wants, if he is to make his business a success, to know definitely what prices are likely to be in the remote future: in the case of planting fruit trees ten years ahead. This is true of every detail of his business. Without this knowledge every step he takes is very speculative—a gamble. He decides, for example, in the early Spring, to grow potatoes, only to find that the price has disappeared, or he decides not to grow potatoes, only to find when the Autumn comes that there is a fancy price for them. It is this element of uncertainty that is the real cause of the want of initiative for which farmers are so constantly attacked.

Were it not for the great natural profits in agriculture, and the high prices paid by consumers, most farmers would be ruined by these fluctuations.

Standard prices are far more necessary for agriculture than for any ordinary industry.

**(11).—PROFITS AND PRODUCTION**

The effect of our present system in reducing production is not peculiar to England. Henry Wallace, the distinguished American authority, in his remarkable book on "Prices in Agriculture," points out: "A small crop generally brings farmers more money than a large crop. . . . The practical problem for both business men and farmers is to devise some means of giving farmers as a class a financial interest in producing big crops rather than small crops." He recommends standard prices. Undoubtedly he represents the views of a large body of American farmers.

**(12).—CLASS ORGANIZATIONS**

The Central Landowners' Association is the representative organization of owners of agricultural land. It has between five and six thousand members, not a very large proportion of the freeholders of rural England, who must number hundreds of thousands.

Land agents, surveyors and valuers have their own societies.

There are also various organizations of merchants and dealers.

The National Farmers' Union is the strongest organization in the country-side. It extends through England and Wales, and has over a hundred thousand members, perhaps a third of the farmers and other cultivators of the land. No doubt some of its members are also dealers, and the point of view of the middlemen, to some extent, probably quite unconsciously, influences its policy: this is quite natural and probably unavoidable. The Union is an extremely active, interesting and efficient organization.

Such of the labourers of England and Wales as are organized are either enrolled in the National Union of Agricultural Workers or in the Workers' Union. The former claims to have something over 30,000 active members: the latter society does not give separate figures of its agricultural labourers. It may be assumed that between five and ten per cent. of the actual paid workers on the land of England and Wales are in one or other of these organizations. The Scottish workers are organized in the Scottish Farm Servants' Union, with between 13,000 and 14,000 members. There is a tendency of all these unions to increase their numbers.

**(13).—RELATIVE VALUE OF WAGES IN COUNTRY AND TOWN**

The worker on the land has certain advantages over the town worker. His cottage rent is much lower. He may also have a good garden, and in any case probably an allotment, and has therefore a possibility of providing some part of his own food. There may be other minor advantages.

It is suggested that a wage of between £2 and £2 5s. a week in the country is equivalent to a wage of £2 10s. in the town.

(14).—ALTERNATIVE SCHEMES OF RECONSTRUCTION ON  
SIMILAR LINES

The first scheme for reconstruction of English country life on the lines suggested in this book was published in 1907, in a book by the present author entitled "Mother Earth," now out of print. A somewhat similar scheme was issued by the National Guilds League in 1923, under the title "Agriculture and the Guild System" (King & Son, 1s.). A third scheme was issued by an Agricultural Committee of the Independent Labour Party in February, 1923. The value of this form of organization is also dealt with in Mr. Arthur J. Penty's<sup>20</sup> work on "Guilds, Trade and Agriculture."

Two articles in *The Times* of the 14th and 15th August, 1923, indicate a relation of these proposals to the question of Colonial Preference.

(15).—CAPACITY OF COUNTRY PEOPLE

Lord Selborne, in an article in *The Times* (May 21st, 1923), supports the view given in this book. "In every parish in the country," he writes, "there are branches of great Societies, like the Oddfellows, or Foresters or Buffaloes, where the whole management is in the hands of men living in the village, very often themselves agricultural labourers, but at any rate part of the village community. They administer large lands, they own property, they build houses, they conduct an important business."

(16).—THE NEED OF DEFINITE INSTRUCTIONS TO THE  
AGRICULTURAL COMMUNITY

Mr. R. Rowland Robbins, ex-president of the National Farmers' Union, lecturing in Oxford on 10th August, 1923, emphasized the importance of a definite pronouncement on behalf of the nation. "It was the nation's business," he said, "to state what was expected of home food production, and the farmers would then be ready to say how the nation's requirements could be supplied."

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## 204      **The Rebuilding of Rural England**

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### **(17).—RENTS AND FINANCE**

It is suggested that the cultivators' rents to the Parish Land Councils should be revised from time to time, and that the chief rents which would ultimately be paid by the Parish Land Councils to the National Chamber of Agriculture should be similarly revised.

It will then follow that if the price of, for example, wheat is placed at the figure suggested in the text, the rent of the best wheat-growing land will be raised accordingly, and the increase should be allotted to reducing the price of bread : the same rule would apply to potato land and in other similar cases.

The adjusting of rents in accordance with prices and increased values of land will be a very important element in the financial situation.

It may be suggested that the allocation of any of the savings in distribution to the funds of the National Chamber of Agriculture, the County Federation and the Parish Land Councils amounts to a tax on food. On the other hand, it can, with justice, be pointed out that all taxes, except perhaps a capital tax, fall ultimately on labour, and that cannot be avoided. It will be observed that the first charge on the savings in distribution is to be a reduction of the price of food, and there should be a rise of all wages. The point requires more consideration and explanation than can be given here, but the whole arrangement appears equitable.

It is suggested that the ultimate solution of all such questions is to be found in so adjusting wages that the actual worker receives the full economic value of his work, a matter referred to in Chapter XIII.

### **(18).—FORESTRY.**

The Second Report of the Royal Commission on Coast Erosion, Reclamation of Tidal Lands and Afforestation in the United Kingdom (1909) shows that there is between eight and nine million acres of land in Great Britain suitable for afforestation.

### **(19).—FUNDS AVAILABLE FOR DEVELOPMENT**

The issues of new capital for employment in Great Britain, the British Colonies and Foreign Countries during the years

1920, 1921, 1922 and 1923 are given below. The figures are those published by the Midland Bank. Borrowings by Governments and others that represent merely a replacement of maturing debt, borrowings by Municipal and County authorities of an indeterminate character or issues of capital by companies in order to capitalize reserves are omitted.

Year.	Great Britain.	British Colonies.	Foreign Countries.	Totals.
	£	£	£	£
1920	324,500,580	40,630,000	19,080,000	384,210,000
1921	100,073,000	90,831,000	24,891,000	215,795,000
1922	100,468,000	75,517,000	59,683,000	235,668,000
1923	68,213,000	86,928,000	48,286,000	203,427,000

There can be no doubt that much of this new capital could have been directed with advantage to the development of Rural England.

#### (20).—AUTHORITIES QUOTED

*Professor Frederick Soddy, F.R.S.:* A scientist of great distinction whose recent writings on Economics and Sociology are of special interest. He is essentially a leader of the modern school of thought.

*Lord Ernle; First Baron:* President of the Board of Agriculture, 1916-19. A well-known authority on all rural questions of to-day, and also on the history of the English country-side.

*The Times* of 17th March, 1923, gives Lord Ernle's views as follows: "The only business advice he could give to the farmer was to grow less food, a disheartening conclusion, especially in view of the consequences to labour."

*The Rt. Hon. Arthur Neville Chamberlain, P.C., M.P.:* Minister of Health, 1923, he has also held other important positions in the Government. During his tenure of office at the Ministry of Health, a scheme for reducing the size and character of the houses to be built for the working classes, was brought forward and adopted.

*Sir Charles Fielding, K.B.E.:* Late Director-General of Food Production. Well known as a writer and authority on Agricultural subjects.

*Lord Milner; 1st Viscount, K.G.:* Has held many distinguished

positions in the Government and the Colonies. His recent writings on Sociology and relative questions are of great importance.

*Sir Arthur Daniel Hall, K.C.B., F.R.S.:* At one time Permanent Secretary of the Board of Agriculture, now Chief Scientific Adviser of the Ministry. A scientist and authority of great distinction.

Speaking at Oxford on 28th July, 1923, Sir Daniel Hall told his audience that the remedy the farmer must adopt was to "let the land do the work," to reduce the number of men employed and be content with a smaller production per acre.

*Lord Selborne; 2nd Earl, K.G., P.C.:* President of the Board of Agriculture, 1915-16. Has held many important appointments in the Government and the Colonies.

*The Rt. Hon. Sidney Webb, M.P.:* The present Home Secretary. The most prolific of all writers on questions bearing on Economic and Social Progress.

*The Rt. Hon. John Wheatley, M.P.:* Starting work in a coal-pit, when eleven years old, he is now Minister of Health. A left wing Socialist, he has made a special study of the housing of the working classes.

*Mr. Arthur J. Penty,* whose series of books, commencing with "The Restoration of the Guild System" (1906), deserves careful study, is the philosopher of the new movement in Economics and Sociology.

#### (21).—GOVERNMENT PROPOSALS ON CO-OPERATION.

Since this book went to press the Government has issued a proposal for assisting co-operation by special grants. The criticisms of Government action which appear in Chapters IV. and XVII. have no special reference to these proposals, which have to be considered on their merits; but co-operation between farmers cannot be looked upon as a cure for our difficulties in distribution. The co-operation that we should aim at is a combination between the interests of, on the one hand, the working farmers and labourers, the producers, and, on the other hand, the consumers.

## SECTION II

### *THE ACTION THAT A GOVERNMENT SHOULD TAKE*

A GOVERNMENT wishing to adopt a national policy on the lines laid down in this work should, it is suggested, take the following action.

1. A committee of practical men and women sympathetic to the proposals should be appointed to consider the best immediate steps to be taken and to advise on future action.

2. A grant should be made to a specially constituted Society who should be instructed to undertake, by meetings and lectures to the people of the country-side, and also to the inhabitants of the towns, an explanation of the principles involved and their practical application.

3. To such a Society might be intrusted the founding, wherever cottages were needed, of public benefit non-profit-making Housing Societies of the character that built houses in rural districts before the war. To these Societies advances of credit should be made, through the present banks or otherwise, from the national resources.

4. Support should be given to the foundation of a National Credit Bank to deal with the financial problems that face the farmers.

These steps should be taken first and be followed by :

5. The founding of a National Co-operative Trust with statutory authority to take over gradually the organization of the business side of agriculture ; to such Trust should be given power to make terms with the present middlemen. The Trust should be instructed to commence their work, in conjunction with the farmers of the various districts, by organizing the trade from the farmer to the town market in some



specific articles of produce, preferably potatoes, bacon and eggs, and to proceed with other produce later. The Trust would require the support of a specially constituted Government Board of Control, that would regulate imports and, if need be, exercise some control over the town markets. The fixing of prices should be in the hands of a special committee appointed for that specific purpose; and

6. The introduction into Parliament of a Bill for placing the control of the land of each parish in the hands of the people of the parish. When the Bill is passed it should be supplemented by a scheme for federation of the Parish Land Councils into County Federations, and the election by these Federations of a National Chamber of Agriculture to proceed with the reorganization of rural agriculture.

Any Government that had the energy and vision to take such steps, introducing concurrently a National Minimum Wage for Agriculture of at least £2 a week, would, there can be little doubt, receive the almost unanimous support of the countryside.

# INDEX

- ACCOUNTS**, 35, 66, 96*f*.  
**Acreages** : under Cultivation, 23 ;  
     owned by Councils, 24 ; by State,  
     24 ; by Occupiers, 25.  
**Adam Smith**, 10, 12, 15, 49*f*., 53,  
     162, 191.  
**Adulteration**, 41.  
**Advisers, Agricultural**, 145*f*.  
**Afforestation**, 22, 33, 76, 84, 113*f*.,  
     136, 143, 153, 204.  
**Agricultural Colleges and Schools**,  
     144*f*.  
**Agricultural Organization Society**,  
     44, 196.  
**Agricultural Workers' Trade**  
     **Unions**, 13, 15, 89, 164, 202.  
**Allotments**, 17, 26*f*., 31, 111, 134,  
     191, 202.  
**Anti-Corn Law League**, 185.  
**Arable Land**, 23, 100*f*., 142*f*.  
**Arch, Joseph**, 186.  
**Artists**, 153.  
**Assessors**, 121*f*.  
**Astriction**, 8.  
**Auctioneers**, 36, 39, 121.  
**Authorities**, 48 ; quoted, 205.  
  
**BANK Notes**. See **Notes**.  
**Banking and Banks**, 38, 56*f*., 83,  
     129, 174, 199*f*. See also  
     **National Agricultural Bank**.  
**Banks, Credit**, 17, 43, 53, 129*f*.,  
     200, 207.  
**Battam's Case**, 11.  
**Bedfordshire**, 28.  
**Bounties and Subsidies**, 21.  
**Brazil**, 93, 125.  
**British Columbia**, 120.  
  
**CALIFORNIA**, 81, 85, 93, 105.  
**Cambridgeshire**, 28, 179, 181.  
**Canada**, 81, 85, 93, 105, 176.  
**Capacity of Country People**, 109,  
     203.  
  
**Capital**, 55, 79.  
**Central Landowners' Association**,  
     202.  
**Chamberlain, Neville, Rt. Hon.**,  
     68, 205.  
**Christian Social Theory**, 49.  
**Church, The**, 18, 49, 80, 152.  
**Colonial Preference**, 103, 125, 203.  
**Common Lands**, 7, 24, 29.  
**Communal Funds**, 88, 91, 133*f*.,  
     140, 151, 154, 195.  
**Compulsory Acquisition of Land**,  
     134.  
**Consumer and Producer, Com-**  
     **mon Interest of**, 98, 126.  
**Control** : of Agriculture, 13, 18, 82,  
     89*f*., 100*f*., 126 ; of Industries,  
     85, 88*f*., 126 ; Democratic, 22,  
     90*f*., 110, 140, 163, 191.  
**Co-operation** : Chartered, 118 ; in  
     Agriculture, 17, 22, 29*f*., 43*f*.,  
     82, 85, 105, 117*f*. ; in Distribu-  
     tion, 43*f*., 175*f*. ; in Factories,  
     43, 96 ; in Landholding, 26*f*.,  
     105, 110 ; in Purchasing 43*f*.,  
     117*f*., 130.  
**Co-operative Groups**, 10, 17, 28*f*.,  
     134, 163.  
**Co-operative Societies (Consumers)**,  
     105, 122*f*., 125.  
**Co-operative Trust, National**, 118*f*.,  
     128*f*., 129, 207.  
**Corn Bounty Act**, 10.  
**Cottages**, 22, 25, 60, 67*f*., 76, 84,  
     90, 96, 111, 128, 132, 135, 163*f*.,  
     195, 199. Also see **Housing**.  
**Councils** : County, 16, 26, 28, 107,  
     191 ; Parish, 16, 26, 107, 191 ;  
     Parish Land, 109*f*., 115, 127*f*.,  
     132*f*., 146, 203*f*., 204, 208 ;  
     Rural District, 16, 107, 191.  
**County Federations**, 112*f*., 127*f*.,  
     135*f*., 144, 165, 195, 204, 208.  
**Craftsmen**, 90, 108, 111, 152*f*.  
**Credit Banks**. See **Banks**.

- Credit : "Subterranean," 38 ; Circulatory, 182, 199 ; Proposals for Provision of, 4, 60ff., 128ff., 199, 207.
- Cromwell, 7.
- "Crown" Land, 24f., 32.
- Currency and Bank Notes Act, 1914, 200.
- Czecho-Slovakia, 4, 61, 200.
- DEALERS, 10ff., 14, 16f., 36ff., 49, 66, 83, 89, 117ff., 170ff., 176ff., 193ff. ; Laws relating to, 10ff. ; Farming, 32, 45, 177, 195, 202 ; in Foreign Produce, 124 ; in Money, 56ff. Also see Middlemen.
- Democratic Control. See Control.
- Denmark (and Danes), 4, 53, 65ff., 81f., 85, 89, 93f., 102, 105, 120, 122, 176f., 197.
- Departmental Committee on Distribution and Prices in Agriculture, 192.
- Development, Funds available for, 158, 194f., 204f.
- Direct Delivery, 43.
- Distribution : Present Methods of, 35ff., 83, 86 ; Organization of, 101, 117ff. ; Waste in, 35ff., 83, 87f., 114, 118ff., 158, 193f.
- Doles, 2, 13, 100f., 194.
- Drainage, 25, 34, 113f., 141.
- Drohicyn, 170, 173f.
- Dublin, Recorder of, 11.
- Dumping, 38.
- ECONOMIC laws, 51, 54, 80, 199.
- Education, 17, 67ff., 81, 85, 88, 91, 106, 112, 114, 140, 144ff., 155ff., 186, 195.
- Electrification of Country-side, 77, 114, 129, 193, 197.
- Employment on Land, 77, 99ff., 107, 193.
- Enclosures, 7ff., 182f.
- Ernle, Lord, 68, 133, 205.
- Essex, 28.
- Exodus, Rural, 3, 15, 21, 75.
- FACTORIES : for Agricultural Produce, 108, 119, 122f., 153f. ; for By-products, 119.
- Farm Institutes, 146.
- Farms : "Factory," 139 ; Large and Small, 29f. ; Model and Experimental, 113, 136, 145f. ; Statistics relating to, 27.
- Farmers, Organization of, 89, 202.
- Feudalism, 7 ; "Bastard," 6ff.
- Fielding, Sir Charles, 77, 193f, 205.
- Flax, 113, 143.
- Food Production. See National Policy of.
- France, Bank of, 63, 200.
- Free Trade, 14, 16, 20f., 49, 80f., 198.
- Funds available for Development. See Development.
- GAME, 8, 180 ; Laws, 8.
- Garden Cities, 76, 78, 154.
- Gide, Charles, 199.
- Gleaning, 13.
- Government : Need for Action by, 46, 107, 128, 178 ; Recent Proposals of, 206 ; An Immediate Policy for, 207f.
- Grading Produce, 96.
- Guilds and Guild System, 67, 79, 105, 118, 203.
- Guernsey, 61, 63, 200.
- HALL, Sir Arthur Daniel, 68, 205.
- Harris, J. Theodore, 200.
- Health and Rural Life, 77f.
- Hertfordshire, 179.
- Holidays, 7.
- Hops, Control of, 36, 124.
- Housing Problem and Proposals to deal with, 60f., 75f., 132, 135, 163f., 181f., 195, 199, 207.
- Huntingdonshire, 28.
- IMPORT Duties. See Protection.
- Imports : Regulation of, 16, 97, 101f., 114f., 124f., 208 ; of Food, 8, 16, 38, 193f., 197.
- Industrial Systems, 78, 79ff.
- Industry, Control of. See Control.
- Interest on Money, 56, 60f., 67, 96, 183, 199.
- Irrigation, 32, 113f., 141.
- Isle of Ely, 28.
- JUSTICES of the Peace, 9, 13, 16, 184.
- KENT, 37f.
- Kenyon, Lord, 11f., 50.
- LABOUR Party, 22, 152 ; Independent, 203.
- Labourer, Life of the, 160ff.
- Labourers, Independence for, 85, 163ff. Also see Land Workers.

- Land Bonds, 33, 195 ; Owners (Organization of), 89, 202 ; Tax 26f. ; Values, 25 ; Values of Rural, 33.
- Land Workers : Numbers of, 28, 192 ; Value of output of, 138, 162, 195.
- Laxton, 24.
- Lincolnshire, 28, 37.
- Local Government, 8f., 16, 108, 191.
- Lord of Manor, 14.
- Luddites, 139.
- MACHINERY, Theories as to the Value of, 139f.
- Magistrates. See Justices of the Peace.
- Market Depots, 94, 120ff., 135 ; Towns, 78, 120f., 154, 185.
- Markets, 117ff. ; Home, 77, 102, 125 ; National, 118f. ; Village, 120 ; Town, 122f., 185, 208.
- Marx, Karl, 53.
- Middlemen, 14, 16, 19, 21, 41ff., 87f., 96, 98, 117ff., 194ff.
- Migration from Town to Country, 6f., 91, 115.
- Milk Trust, 36, 118, 124.
- Milner. Lord, 57, 205.
- Minimum Wage. See Wage.
- Minister of Agriculture, 114.
- Ministry of Agriculture, 24, 114, 124, 127.
- Money, Interest on. See Interest. Fixing Value of, 58f., 95.
- Monopoly in Distribution, 47, 118, 176f., 196.
- Morison, Fynes, 6.
- NATIONAL Agricultural Bank, 115, 129ff., 135.
- National Chamber of Agriculture, 110, 112ff., 117, 120, 125, 128f., 132, 144, 165, 204, 208 ; Finance of, 204.
- National Co-operative Trust. See Co-operative Trust.
- National Councils of Agriculture, 113.
- National Farmers' Union, 178, 202f.
- National Policy of Food Production, 73ff., 87, 113, 147, 194.
- Nationalization of Land, 24f., 32ff., 73.
- Notes : Agricultural Bank, 132 ; Bank, 55, 60 ; Labour, 59 ; Municipal, 63 ; Treasury, 55, 62, 129, 132.
- Norfolk, 28.
- OLIGARCHY, Rule of, 15ff., 106f., 155, 184f., 191.
- Organization, with Government Support, etc., 4, 106, 118.
- Output of Land : Value of, 193f. ; Limitation of. See Production.
- Ownership of Land, 23ff.
- PARISH Estate, 110, 115, 133f.
- Parks, 135.
- Paterson, William Romaine, 3.
- Peasant Proprietors, 26.
- Peasantry, 6f., 13, 65ff., 138.
- Penty, Arthur J., 203, 206.
- Pitt, William, 12.
- Playgrounds, 111, 158.
- Poland, East, 4, 170.
- Poor Laws, 8.
- Population of Rural Areas, Possible Increase of, 88, 193.
- Price List, National, 94f., 101, 125f., 208.
- Prices, of : Bacon, 127 ; Bread, 93, 101, 194, 199, 204 ; Fruit and Vegetables, 37 ; Pigs, 38 ; Potatoes, 37f., 99f., 127, 201, 204 ; Wheat, 37, 95, 100f., 103 ; Averaging, 103 ; Fluctuations in, 14ff., 24, 37f., 83, 86, 127, 201 ; Just, 85, 87, 98 ; Need for Settlement of in Advance, 97, 201 ; Standard, 59, 78f., 86, 91f., 93ff., 103, 107, 114f., 122, 124ff., 130f., 135, 158, 184, 201 ; Retail, 17, 40, 82ff., 88, 193f., 201 ; Relation to Rents, 103, 204 ; World, 97f., 103.
- Production : Estimates of, 115 ; Limitations to, 15, 18, 80, 82, 84, 88, 157, 201 ; Development of, 18, 85, 88, 107, 116, 137ff.
- Productive Power, 2, 75, 81, 137, 157, 191.
- "Protection," 14, 16, 20f., 81, 102, 198.
- Public Utility Societies, 105, 132, 163, 207.
- RAILWAYS, Light, 34, 114.
- Rasin, Alois, 200.
- Rates, 27, 163, 199.
- Reconstruction, Alternative Schemes of, 127f., 203.
- Regional Survey, 111, 134.
- Rents : Economic, 60, 199 ; Fixed, 32, 110, 204 ; and Prices. See Prices.
- Repairs, 24, 60, 199.

- Returns, Law of, 141, 156.  
 Robbins, R. Rowland, 203.  
 Rotatory Cultivation, 142.  
 Rothamsted, 146.  
 Royal Commission on Agriculture (1919), 192.  
 Royal Commission on Coast Erosion, etc. (1909), 204.  
 Rural Industries, 77, 108, 153.  
 Rusby's Case, 11.  
 Russia: Trade with, 147; White 53, 65f., 169, 173.  
  
 SCIENCE and Production, 137ff.  
 Selborne, Lord, 196, 203, 205.  
 Small Holding Acts, 28.  
 Small Holdings, 17, 22, 26ff., 111f., 184, 164.  
 Social Life, 17, 67, 73, 91, 106, 139, 151ff, 162f.  
 Sociological Society, 199.  
 Soddy, Professor, 50, 191, 205.  
 Speculators, 42.  
 Statistics, Miscellaneous, 192ff.  
 Storage, 115, 125.  
 Sugar and Sugar Beet, 76, 113, 143.  
 Sundays, 7.  
 "Supply and Demand," 80, 102, 119, 124, 199.  
 Swimming Baths, 111, 133.  
  
 TAXATION, Incidence of, 204.  
 Tenancy Conditions, Present, 25ff.; Suggested, 135.  
 Tithe, 26f.  
 Trade: Colonial, 76, 103; Foreign, 68, 74, 76, 100ff., 124f., 196ff.; Home, 88, 99ff., 125, 162, 198; Societies, 43; Value of, 81, 196.  
  
 Trade Unions. See Agricultural Workers.  
 Traders' Associations, 89, 202.  
 Transport Expenses, 14, 40, 124, 193.  
 Treasury Notes. See Notes.  
 Tyranny, 9.  
  
 UNEMPLOYED and Unemployment, 1, 15f., 76f., 80ff., 139f., 169, 194.  
 Unemployment, A Cure for, 169f.  
 United States, Finance in, 57, 61 200.  
  
 VILLAGE Clubs, 22.  
 Village Clubs Association, 105, 151.  
 Village Drama Society, 151.  
 Village Halls, 67, 91, 111, 133, 140, 154.  
  
 WAGE: Economic, 138, 161; Fixing by Magistrates, 13, 184; Living, 17; Minimum, 13, 88, 103, 124, 162; Present Rates of, 28, 138, 162; Suggested Rates of, 88, 114, 162, 195; Value of Labourers', 202.  
 Wallace, Henry, 201.  
 Waste, Statistics relating to, 87f., 128, 193f.  
 Waste Lands, Reclamation of, 22, 33f., 84, 113f., 143.  
 Webb, Sidney, Rt. Hon. 200, 206.  
 Wheatley, John, Rt. Hon. 60, 206.  
 Whitbread, Samuel, 13.  
 Women's Institutes, 151.  
 Workers' Educational Association, 151





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